# THE WALL STREET JOURNAL.

DOW JONES | News Corp * * * * MONDAY, SEPTEMBER 18, 2023 ~ VOL. CCLXXXII NO. 66 WSJ.com ★★★★ $5.00


Last week: **DJIA** 34618.24 ▲ 41.65 0.1% **NASDAQ** 13708.33 ▼ 0.4% **STOXX 600** 461.93 ▲ 1.6% **10-YR. TREASURY** yield 4.321% **OIL** $90.77 ▲ $3.26 **EURO** $1.0660 **YEN** 147.85

## What's News

### *Business & Finance*

◆ **The restart of** student-loan payments could divert up to $100 billion from Americans' pockets over the coming year, leaving consumers squeezed and some of the nation's largest retailers fearing a spending slowdown. **A1**

◆ **Instacart will leave** many of its later investors with significant paper losses when it lists in the coming week, a sign of the pain venture capitalists face after years of fast-and-loose spending. **A1**

◆ **A growing expectation** that the Fed will keep interest rates higher for longer threatens to stifle the tech-stock rally, potentially dimming the outlook for indexes heavily influenced by the sector. **B1**

◆ **Production delays** caused by the monthslong Hollywood writers and actors strikes mean the coming slate of shows on ABC, NBC, CBS, Fox and the CW will look a lot different from past years. **B1**

◆ **TV host** Drew Barrymore, who faced backlash for taping new episodes of her daytime show amid a monthslong writers' strike, said she would pause the show's premiere. **B2**

◆ **San Francisco's** beleaguered office market, the hardest hit of any in the U.S. since 2020, is beginning to display flickers of life. **B1**

◆ **Recent research from** academics and consultants puts the success rate of M&A closer to even compared with earlier studies that indicated a majority of deals failed to create value for the buyer. **B1**

### *World-Wide*

◆ **For Ukrainian soldiers** struggling to make headway against entrenched Russian troops, the counteroffensive is taking on a new urgency as summer gives way to shorter days, drenching rain and then snow. **A1**

◆ **Two groups** of House Republicans put together a short-term funding proposal to prevent a government shutdown and break a party deadlock, though it wasn't clear if the legislation has enough votes to pass the chamber. **A4**

◆ **Planned Parenthood** of Wisconsin was set to resume abortion services at two clinics in Milwaukee and Madison after halting services in the state in the wake of the Supreme Court's overturning of Roe v. Wade in June 2022. **A3**

◆ **Texas Attorney General** Ken Paxton was acquitted of all charges by the state Senate in an impeachment trial, eliminating grounds for removing him from office. **A5**

◆ **New Orleans District** Attorney Jason Williams hired a team of people who once tracked international terrorists online to take a 21st-century approach to tackling a surge in violent crime in his jurisdiction. **A3**

◆ **A letter in the Vatican's** archives suggests that Pope Pius XII knew about the Nazi death camps as early as 1942, adding another element to the debate over the pontiff's silence on the wartime genocide. **A8**

**JOURNAL REPORT**
C-Suite Strategies: Why DEI training doesn't work—and how to fix it. **R1-10**

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## Scale of Calamity Overwhelms Libya Aid Efforts

KARIM SAHIB/AGENCE FRANCE-PRESSE/GETTY IMAGES

**AMID RUINS:** A member of an Algerian rescue team reacts as he assists in relief work on Sunday in Libya's eastern port city of Derna, where thousands died in flooding. Aid groups say the magnitude of the crisis is beyond their capabilities. **A7**

# UAW Flipped Strike Playbook For Surprise-Attack Strategy

*By Nora Eckert, Mike Colias and Ryan Felton*

Over the summer, top officials at the United Auto Workers gathered for frequent strike-strategy meetings around a 30-foot table in a boardroom at union headquarters, overlooking the Detroit River.

Their plan: craft an approach that would throw the auto companies into disarray.

The tradition-steeped union for decades had largely stuck to the same basic playbook in its dealings with Detroit's three automakers. Then just a few months into his job as the UAW's top official, Shawn Fain, the 54-year-old who came up in the union as an electrician, was prepared to throw it into the trash bin.

"This strategy will keep the companies guessing," Fain said late Thursday, on the eve of the UAW's walkout at General Motors, Ford Motor and Chrysler-parent Stellantis. The action was called after two months of negotiations failed to yield new labor deals for the union's roughly 146,000 auto members.

The strike—which targets three assembly plants in three different states—was the first time the 88-year-old union had staged simultaneous walkouts at all three automakers. Fain has threatened walkouts at additional plants could come, and with little notice, the longer negotiations drag on.

GM and Ford negotiators met with the UAW for bargaining over the weekend. The union and Stellantis agreed to resume their talks on Monday.

The unusual deployment of a rolling, slow-burn approach is designed to stymie the car companies' factory operations as a way to gain leverage for the union. It comes just as the carmakers are recovering from supply-chain dysfunction that disrupted their global output during the pandemic, illustrating the logistical havoc of sudden plant shutdowns.

For Fain, there are also risks. The novel tactic creates more complexity and confusion for the UAW's members, and will require more discipline among

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◆ **Whatever the strike's outcome, Musk wins..... A12**

# Student Loan Restart To Pinch Spending

Payment resumption could siphon up to $100 billion from consumers' wallets

By Gabriel T. Rubin And Joe Pinsker

The restart of student-loan payments could divert up to $100 billion from Americans' pockets over the coming year, leaving consumers squeezed and some of the nation's largest retailers fearing a spending slowdown.

Starting Oct. 1, tens of millions of student-loan borrowers will need to make payments averaging between $200 and $300 each month. The payments will mark the first time that borrowers have had to make good on their loans since the Education Department instituted a pause in March 2020. In the interim, they spent the money on televisions, travel, new homes and thousands of other products. That spending is one reason the economy has remained resilient in recent years, despite a surge in interest rates.

What the resumption of loan payments means for the broader economy, however, is up for debate, and at least two groups watching closely disagree. Target, Walmart and other retailers that depend on discretionary spending are concerned. Economists, on the other hand, said the renewed payments are a relatively small problem for the more than $18 trillion in annual U.S. consumer spending.

Inside U.S. homes, the de-

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◆ **New plan likely to lower loan repayments............. A14**

# Approach Of Rains, Snow Puts Pressure On Ukraine

By Isabel Coles And Daniel Michaels

ZAPORIZHZHIA, Ukraine—For Ukrainian soldiers struggling to make headway against entrenched Russian troops, the counteroffensive is taking on a new urgency as summer gives way to shorter days, drenching rain and then snow.

Ukrainians and Russians are accustomed to biting cold, and the war has churned on during two winters, so ground troops won't abandon the battlefield. But relentless downpours can dissolve roads, and icy weather complicates basic operations from loading artillery shells to pulling a trigger.

One worry is that Ukraine's grueling assault on Russian defenses could eventually achieve a breach that its heavy armored equipment can't quickly exploit because terrain is too muddy or snowy.

For now, fighting is a brutal infantry slog over small distances, with both sides' movements limited by constant aerial surveillance and attacks. Kyiv's forces are battering away at heavily defended Russian lines, seeking to create fissures they can widen and push tanks and other armored equipment through.

"The fighting will continue one way or another," said Maj. Gen. Kyrylo Budanov, the head of Ukraine's HUR military intelligence service, last weekend.

"It is harder to fight in the cold, in the wet, in the mud," he acknowledged. Still, he

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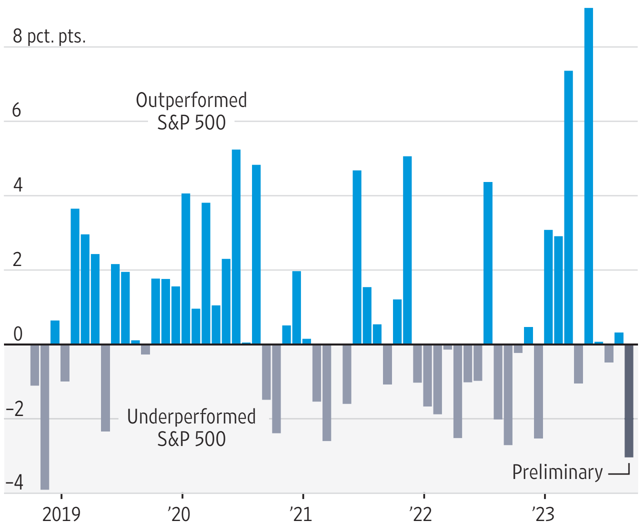
## Rate Rise Dims Tech Sector

A growing expectation that the Federal Reserve will keep interest rates higher for longer threatens to stifle technology stocks, which have powered the 2023 market rally. **B1**

**Tech sector performance lead over S&P 500, monthly**




Source: FactSet

## *See Ya Later? Fugitive Pet Alligators Invade Pennsylvania*

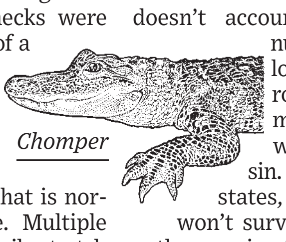
* * *

Multiple sightings along Kiskiminetas River raise alarms; kayakers make a catch

By Kris Maher

KISKIMINETAS TOWNSHIP, Pa.—Police Chief Lee Bartolicius recently asked two residents if they happened to be missing one of their alligators.

The wellness checks were spurred by reports of a 4-foot alligator in the shallow, swift-moving Kiskiminetas River, a body of water half an hour east of Pittsburgh that is normally alligator-free. Multiple sightings along a 4-mile stretch of the river caused a stir across the region.



*Chomper*

"In western Pennsylvania, none of us have specialized alligator training," said Bartolicius. "This isn't something they give you in the police academy."

Alligators don't venture on their own farther north than North Carolina. But that doesn't account for untold numbers of them lounging in bedrooms and basements all the way to Wisconsin. Some northern states, where they won't survive the winter, outlaw owning them. But some animals still get loose—or are released by skittish owners.

This August, a pet alligator

*Please turn to page A6*

# Venture Capitalists Late to Instacart Face Losses in IPO

By Berber Jin

When Instacart lists in the coming week, it will leave many of its later investors with significant paper losses—a sign of the pain venture capitalists are facing after years of fast-and-loose spending.

The grocery-delivery firm is targeting a valuation of as much as $10 billion—sharply lower than the $39 billion valuation it reached at the peak of the startup funding frenzy two years ago. Many of the investors who poured almost $1 billion into Instacart's last three funding rounds will be underwater on those shares.

Take T. Rowe Price. Its growth stock fund invested $86 million in Instacart, starting with a funding round in 2020, according to a securities filing. The value of that investment will be down by more than 40% if the shares are listed in the company's latest target price range.

DST Global, the venture firm known for its early bet on Facebook, made an investment of around $75 million in Instacart in 2020, people familiar with the matter said. At the same time, the venture firm General Catalyst invested about $50 million, they said. Both companies are looking at unrealized losses of more than 35% on those investments.

Investors who bought in 2015, when Instacart raised its third funding round, or later would have made more by investing in the Nasdaq

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## INSIDE

DUSTIN BRADFORD/GETTY IMAGES

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The disintegrating Pac-12 is off to a fast start, with eight teams in the AP Top 25. **A16**

MICHAEL PARMELEE/NBC/EVERETT COLLECTION

**BUSINESS & FINANCE**
Production delays caused by Hollywood strikes are changing the look of fall TV. **B1**

VISIT…

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# U.S. NEWS

THE OUTLOOK | By Stella Yifan Xie

# China Economic Woes Rival Japan's, or Worse

Starting in the 1990s Japan became synonymous with economic stagnation, as a boom gave way to lethargic growth, declining population and deflation.

Many economists say China today looks similar. But in many ways its problems are more intractable than Japan's. China's public debt levels are higher by some measures than Japan's were and its demographics are worse. The geopolitical tensions that China is dealing with go beyond the trade frictions Japan once faced with the U.S.

Another headwind: China's government, which has been cracking down on the private sector in recent years, seems ideologically less inclined than Tokyo was then to support growth.

None of this means China is sure to repeat the years of economic stagnation that Japan is only now showing signs of exiting. It has some advantages that Japan didn't. Its economic growth in coming years is likely to be well above Japan's in the 1990s.

Even so, economists say the parallels are a warning for Communist Party leaders in Beijing that if they don't act more forcefully, the country could get stuck in a protracted period of economic sluggishness similar to Japan's. Despite piecemeal steps in recent weeks, including modest interest-rate cuts, Beijing has held back on major stimulus to revive growth.

"China's policy responses so far could put it on track for 'Japanification,'" said Johanna Chua, chief Asia economist at Citigroup. She believes China's overall growth prospects could be slowing more sharply than Japan's.

China today and Japan 30 years ago share many similarities, including high debt levels, an aging population and signs of deflation.

During a long postwar economic expansion, Japan became an export powerhouse that American politicians and corporate executives worried would be unstoppable. Then in the early 1990s, real estate and stock market bubbles burst and the economy hit the skids.

Policy makers cut interest rates to virtually zero, but growth failed to rebound as consumers and companies focused on repaying debt to repair their balance sheets instead of borrowing to finance new spending and investment.

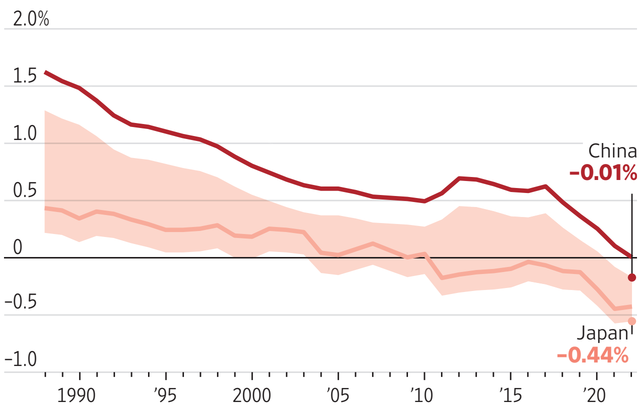
Richard Koo, an economist at the research arm of Japanese investment bank Nomura Securities, famously coined the term "balance sheet recession" to describe the phenomenon.

China, too, has seen a property bubble pop after years of extraordinary economic growth. Chinese consumers are now paying off mortgages early, despite government efforts to get them to borrow and spend more.

Private firms are also reluctant to invest despite lower interest rates, stirring anxiety among economists that monetary easing might be losing its potency in China.

China's recent population growth has been weaker than Japan's was three decades ago.

**Population growth, annual change**




Source: World Bank

By some measures, China's asset bubbles aren't as big. Morgan Stanley estimates that China's ratio of property value to gross domestic product peaked at 260% in 2020, up from 170% of GDP in 2014; home prices have only fallen slightly since the peak, according to official data. China's equity markets hit a recent peak of 80% of GDP in 2021 and now sit at 67% of GDP.

In Japan, land values as a percentage of GDP reached 560% of GDP in 1990 before falling back to 394% by 1994, Morgan Stanley estimates. The Tokyo Stock Exchange's market capitalization rose to 142% of GDP in 1989 from 34% in 1982.

Also in China's favor, its urbanization rate is lower, standing at 65% in 2022, versus Japan's, which was at 77% in 1988. That could give China more potential to raise productivity and growth as people move to cities.

China's tighter control over its capital markets means the risk of a sharp appreciation of its currency, which would harm exports, is low. Japan had to deal with a sharp increase in its currency several times in recent decades.

"We believe worries on China being trapped in a balance sheet recession are overdone," economists from Bank of America recently wrote.

Yet in other ways, China's problems will be harder to tackle than Japan's. Its population is aging faster; it began to decline in 2022. In Japan, that didn't happen until 2008, nearly two decades after its bubble burst.

Worse, China appears to be entering a period of weaker long-term growth rates before reaching rich-world status, i.e., it is getting old before it gets rich. China's per capita income was $12,850 in 2022, much lower than Japan in 1991 at $29,080, World Bank data shows.

Then there is the problem of debt. Once off-balance-sheet borrowing by local governments is factored in, total public debt in China reached 95% of GDP in 2022, compared with 62% of GDP in Japan in 1991, according to J.P. Morgan. That limits authorities' ability to pursue fiscal stimulus.

External pressures also appear to be tougher for China. Efforts by the U.S. and its allies to block China's access to advanced technologies and reduce reliance on Chinese supply chains have sparked a plunge in foreign direct investment into China this year.

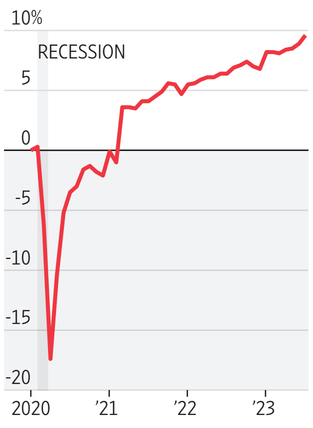
Many analysts worry Beijing is underestimating the risk of long-term stagnation—and doing too little to avoid it. But President Xi Jinping is ideologically opposed to increasing government support for households and consumers, which he derides as "welfarism."

◆ **Heard on the Street: China may dodge deflation..... B10**

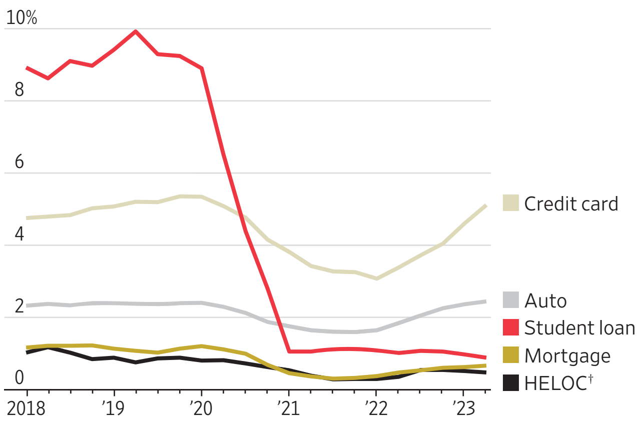
HEATHER AINSWORTH FOR THE WALL STREET JOURNAL

**Jessica and Colin Evans with their daughter at home in Owego, N.Y. They are cutting back on small expenses to make room in their budget for student loan payments of $300 a month.**

**Change in consumer spending since January 2020***




**Share of loans 90 or more days delinquent by type**




*Inflation adjusted †Home equity line of credit
Sources: U.S. Bureau of Economic Analysis via St. Louis Fed (consumer spending); New York Fed Consumer Credit Panel/Equifax (delinquent loans)

# *Student Loans Test Economy*

*Continued from Page One*
bate doesn't matter. Borrowers said they are curtailing spending in meaningful ways.

## Small Sacrifices

Colin and Jessica Evans have been moving numbers around in their budget spreadsheet to see where they can free up $300 a month for their loan payments this fall.

Colin Evans, a 33-year-old postdoctoral researcher in Owego, N.Y., said the couple is about to start shaving $50 off their monthly grocery bills, primarily by cutting out small luxuries such as freshly baked bread and seltzer water.

He also zeroed in on two costly staples that propel him through his day: gasoline and coffee. He plans to save on fuel for his 45-minute commute by requesting one additional work-from-home day a week. And he will stop buying a cup of coffee every workday.

Consumers finding spots to squeeze their budgets worries some large retailers.

"The upcoming resumption of student-loan repayments will put additional pressure on the already-strained budgets of tens of millions of households," Michael Fiddelke, Target's chief financial officer, told analysts last month. "Against this backdrop, we remain cautious in our planning."

Other national retailers such as Macy's and Ulta Beauty also have cited risks associated with the payment restart. Some are having difficulty forecasting how the pressure of student-loan payments is likely to affect different customer segments.

Housing could also be an area where borrowers pull back. The payment resumption could create more competition for affordable rental units, especially in high-price areas, according to Moody's Analytics.

## Economic resilience

Economists are more sanguine about the impact of the payments' resumption.

On an annual basis, the amount of money saved during the payment pause comes out to somewhere between 0.4% and 0.6% of all consumer spending, according to calculations by Tim Quinlan, a Wells Fargo economist. Pulling that money back out would have a barely noticeable effect on the economy when growth seems to be accelerating because of strong wage gains and low unemployment.

And not all of that spending power will vanish when payments resume.

The Biden administration rolled out a program, called Saving on a Valuable Education, or SAVE, that allows borrowers to make monthly payments based on a small percentage of their discretionary income. Borrowers also won't be punished for nonpayment in the first 12 months, though interest will accrue.

The Evanses weighed whether to enroll in the SAVE plan for their loan balances of about $80,000 and $13,000 or stick with standard repayments. Colin Evans enrolled in SAVE, which lowered the couple's total monthly payments from about $1,200 to $300. That reduction means the Evanses will avoid much steeper spending cuts.

## A dent in savings

Among those with any student debt in March 2020, around one-third made payments during the freeze, according to research by Harvard economics doctoral candidate Justin Katz.

Overall, borrowers didn't significantly boost their spending when the payment pause effectively put more cash in their pockets, Katz's research found, especially compared with the effects of receiving other forms of government aid.

"They're doing different things with their stimulus checks versus the extra money in their bank accounts from student-loan payment pauses," Katz said. He expects a similar, inverse effect to occur when the pause ends, with savings more likely to fall than consumption.

U.S. consumers have accelerated their purchases of big-ticket items such as cars in recent months and have continued to spend more at stores and restaurants. Consumer spending, which constitutes around 70% of the U.S. economy, rose 0.8% in July, the Commerce Department said, an acceleration from the prior month.

"Households are feeling pretty good about themselves," said Aditya Bhave, an economist at Bank of America. "Usually when there's a change in mood, it's not going to happen just in one month."

**Watch a Video**
Scan this code for a video on how to get ready for the payment restart.

# *Instacart Investors Face Losses*

*Continued from Page One*
Composite Index over the same period.

The outcomes underline a sobering new reality for venture capitalists: The billions of dollars they poured into late-stage startups during the era of cheap money could leave them with losses even as the most promising companies in their portfolios go public.

"Private investors going forward are going to need to embrace the new reality of a reset valuation world," said Byron Deeter, a partner at Bessemer Venture Partners. "There will be a lot of down round IPOs."

Instacart's target range of $28 to $30 a share gives it a valuation of $9.3 billion to $9.9 billion. It is scheduled to set the IPO price on Monday. The listing comes after a prolonged freeze in the market for tech IPOs and is being watched as a test case to gauge Wall Street's appetite for new issues.

Startup founders have been reluctant to take their companies public after last year's market rout, worried any listing price would be much lower than their last private valuations. The resulting IPO slowdown has lasted almost two years, starving venture firms of a crucial source of income and denting their financial performance.

This year, tech stocks have rallied, pushing up the Nasdaq by more than 30%. That has given more founders the confidence to consider listing their shares. Instacart's investors aren't selling shares in the public listing and are required to hold on to their stock for at least a few months after the IPO. They could see gains on their investment if shares of Instacart rise.

Shares of British chip designer Arm—which listed well below its last private market valuation—jumped more than 20% on its first day of trading Thursday.

After the Arm surge, Instacart bumped up the target range for the IPO price by more than 7%.

The company has some recent momentum in its business. It posted five consecutive quarters of operating profit, a rare feat for a gig-economy startup. Still, its core delivery business growth has come down sharply from pandemic peaks.

Investors who put money early into Instacart—the traditional bread and butter of venture investing—still stand to make a lot of money, even if not as enormous an amount as they once anticipated.

Sequoia Capital, Instacart's largest outside shareholder, invested $8 million in one of its earliest rounds of funding in 2013. That initial investment has grown to a stake worth around $1 billion. Another winner is Andreessen Horowitz, which led another early funding round the following year.

The investors carrying paper losses invested much more money in much later rounds when cheap money flowed into Silicon Valley. Beginning in 2020, Instacart raised three rounds of funding in quick succession, almost tripling its valuation within the span of a year.

It has since become a cautionary tale for bull-market investing. Last year, tech shares slid as a steep rise in interest rates led investors to avoid high-risk companies. Once-highflying tech stocks such as DoorDash and Uber Technologies stalled. Some measures of Instacart's valuation followed. The firm slashed its internal valuation to $12 billion earlier this year, demoralizing employees and investors. Uber and DoorDash shares have rebounded from their 2022 lows. This year Uber has risen more than 90%, and DoorDash has climbed more than 60%.

Investors are now dialing back from brash investing. Across Silicon Valley, firms are winding down the megafunds that competed to make massive startup investments during the boom years.

Many are refocusing on what has historically been the source of the greatest returns—writing small checks for young companies.

While Sequoia has bet almost $300 million in Instacart over the years, it made most of its profit from its first tiny investments in the company: the $8 million it invested in 2013 and the $13 million it invested in 2014, people familiar with the transactions said.

The firm had less luck investing later. It put $50 million into Instacart's March 2021 funding round. At the IPO, that stake is set to be worth $12 million or less.

## CORRECTIONS & AMPLIFICATIONS

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# Wisconsin Clinics In Two Cities to Resume Abortions

By Jennifer Calfas

Abortion in Wisconsin has been in legal limbo for more than a year.

Planned Parenthood of Wisconsin halted abortion services after the Supreme Court overturned Roe v. Wade in June 2022, citing confusion over whether a more than 170-year-old state law banning most abortions could be enforced. The possibility that providers could be prosecuted was too high, Planned Parenthood said, so the group stopped providing abortions in the Midwestern state.

That will change Monday, when Planned Parenthood of Wisconsin resumes abortion services at two clinics in Milwaukee and Madison. The organization is leaning on a July ruling from a Dane County Circuit Court judge who said the 1849 act doesn't apply to consensual abortions. The clinics operate in counties where district attorneys have said they wouldn't enforce the law.

The potential risk of prosecution has declined, said Michelle Velasquez, director of legal advocacy and services at Planned Parenthood of Wisconsin. "In our view, we have absolute legal ability to provide abortion services," Velasquez said.

The uncertainty in Wisconsin reflects the complex and shifting abortion landscape since the Supreme Court's decision sent the issue back to the states. More than a dozen states enforce bans on nearly all abortions. Other states have passed laws or amended their constitutions to protect the right to an abortion.

**Planned Parenthood leans on a July ruling from a county judge.**

Wisconsin Gov. Tony Evers, a Democrat, has attempted several times to convene the state's Republican-led Legislature to repeal the 1849 law. The Legislature has declined to consider a repeal.

State Attorney General Josh Kaul, a Democrat, last year sued district attorneys in three counties where Planned Parenthood of Wisconsin clinics operate to block enforcement of the previously dormant law. A newly liberal-leaning Wisconsin Supreme Court has shifted expectations of how the lawsuit might play out.

Wisconsin House Speaker Robin Vos, a Republican, on Thursday said Planned Parenthood's decision to resume abortions was presumptive given ongoing litigation. He said he expects that outside private groups might challenge the decision.

"If Planned Parenthood is so convinced that they are going to win at the state Supreme Court that they are willing to break the law, which the law on the books still is the 1849 statute, it's just another reminder that some people flub the law whether it's the law on the books or not," Vos said.

Planned Parenthood's clinics in Madison and Milwaukee are now scheduling appointments. For the past year, residents capable of traveling outside the state for an abortion have gone to clinics in neighboring Illinois and Minnesota.

The Wisconsin clinics will operate within the same state legal framework they followed before the Dobbs v. Jackson Women's Health Organization ruling eliminated the constitutional right to an abortion. Patients scheduled to visit the clinics will be completing the counseling appointment required 24 hours before an abortion, said Dr. Allison Linton, an obstetrician-gynecologist and associate medical director for Planned Parenthood of Wisconsin.

Members of Wisconsin Right to Life, an antiabortion group, are examining next steps, said Gracie Skogman, the group's legislative and PAC director. Skogman said the organization believes the legality of abortion in Wisconsin is still unclear.

Over the past year, the group has expanded the hours and services offered at crisis pregnancy resource centers in the state, Skogman said. Those centers don't offer abortions and provide "life-affirming care," she said.

"Our hope would be that even in a situation where now abortion is on the table again, there are so many women who have been able to get connected to the other resources," Skogman said.

Resuming services at two clinics in liberal counties is an incremental approach to restoring access in the state until there is a clearer decision from the state Supreme Court, said Rachel Rebouché, the dean of Temple University Beasley School of Law, who studies reproductive-health law.

"That's a pretty firm foundation," Rebouché said of Planned Parenthood's legal standing. "But it's not bulletproof and it won't be until the [state] Supreme Court decides how this applies or in what situations, or until the Legislature acts."

## A Plea for Compassion in the Nation's Capital

ALLISON BAILEY/NURPHOTO/ZUMA PRESS

**GIANT GESTURE: Little Amal, a 12-foot-tall puppet of a Syrian refugee girl, came to Franklin Park Sunday in Washington. The puppet has traveled over 6,000 miles in the past two years to spread awareness of the plight of refugees and people displaced by war.**

# AI Tools, Terrorism Hunters Tapped for New Orleans Cases

By Kate O'Keeffe And Cameron McWhirter

NEW ORLEANS—The case against Dijon Dixon, accused of killing Cornelius Smith in 2019, looked to be falling apart after a key witness backed out following an online death threat.

Then prosecutors presented the defense team with a detailed and dramatic timeline featuring some of Dixon's social-media posts—including one in which the serial numbers of the Glock he was holding were partially visible.

Dixon took a plea deal.

The timeline was assembled by a team of people who once tracked international terrorists online and now are working for first-term New Orleans District Attorney Jason Williams. The newly created task force is working to use machine-learning to autogenerate subpoenas for social-media and wireless companies, analyze the reams of data obtained and create vivid, detail-packed timelines.

Williams hired the team of 11 to take a 21st-century approach to tackling a surge in violent crime, exacerbated by an understaffed police department and an enormous backlog of cases.

The arrangement, which hasn't previously been publicly announced, is unusual for U.S. law enforcement. Legal experts say the harnessing of such data to help prosecute crimes shouldn't run afoul of constitutional protections, although one said it could prompt privacy concerns from the public. A group tracking the New Orleans crime problem raised concerns about outsourcing the state's investigative authority to a private company.

Williams, a Democrat facing an election in 2026, is under pressure to make New Orleans safer. His decision to bring in the former intelligence agents, who tracked Osama bin Laden and trained the Somali military, to help prosecute homicides in the Big Easy has been praised by his staff in the homicide unit.

The New Orleans Police Department and the office of Mayor LaToya Cantrell didn't respond to requests for comment.

John Fuller, a lawyer for Mr. Dixon, said that "any effective tool that law enforcement has is a concern of mine." He said he expects there will be opportunities for defense attorneys to challenge the task force's findings in future cases that go to trial. "I'm certainly looking forward to challenging it. It should be fun."

So far, Williams has dedicated $250,000 to the pilot project and says he is impressed with how the task force has made a difference in investigations in a few months. In the Dixon case, prosecutors were able to identify a second suspect in the continuing investigation from information gathered by the task force. Williams said he plans to expand the effort.

One part of the team is Bancroft Global Development, a nonprofit that manages projects in war-torn countries in Africa and the Middle East. The group has gotten funding from entities such as the U.S. State Department and the United Nations. The other is Tranquility AI, a startup founded by a Trump appointee that is stacked with former U.S. intelligence analysts expert at tracking terrorist cells online.

EMILY KASK FOR THE WALL STREET JOURNAL

**DA Jason Williams**

For five months, employees of Bancroft and Tranquility, which together make up the district attorney's OSINT Task Force, have been working hand-in-hand with prosecutors. OSINT refers to intelligence collection analyzing "open source," or publicly available, information as opposed to gathering information through personal relationships or by intercepting electronic communications.

Williams told the Journal that using people trained in hunting international terrorists to help prosecute suspects in violent crimes in New Orleans made sense, because shootings at neighborhood gatherings and well-known New Orleans restaurants had terrorized the city.

"Someone unloading an AK-47 on a group of people in a city street, whether it's a street in America or a street somewhere else, is terrorism," Williams said.

Judson Mitchell, a defense lawyer and professor at Loyola University New Orleans who focuses on law and technology, said that as long as evidence used by the task force was legally obtained, there shouldn't be constitutional issues. Nonetheless, he said he expects some citizens will have privacy concerns. "It puts a lot of power in the hands of the state, and a lot of folks are uncomfortable with that."

Williams said judges vet for admissibility every single piece of evidence the task force contributes, as they do with all evidence.

Some have argued that more funding for police investigators and prosecutors is needed, rather than spending money on outside companies.

Task-force officials said their goal is to train local law enforcement to use these tactics themselves and that they don't plan to stay in the city longer than needed.

New Orleans had 265 murders last year, according to New Orleans Police Department data; this year the department reported 150 as of Sept. 12. Compared with 2019, homicides for the same period are up 95%. Shootings are up 64% and carjackings are up 68%, according to the Metropolitan Crime Commission.

# To Build Ships That Break Ice, U.S. Must Learn to Cut Steel Again

By William Mauldin

PASCAGOULA, Miss.—A $13.3 billion program to safeguard American interests in the Arctic has run aground on an old industrial challenge: cutting and shaping thick, hardened steel.

U.S. officials are racing to procure new polar icebreakers because one of only two that the Coast Guard now sails has reached the end of its life, and the one assigned to the Arctic is out of service for maintenance every winter. Delivery of the first new icebreaker has slipped to 2028 from 2024 as designers, engineers and welders grapple with something the U.S. hasn't done in decades: reliably shape hardened steel that is more than an inch thick into a curved, reinforced ship's hull.

The Coast Guard hasn't launched a new heavy icebreaker since 1976. Out of practice, U.S. shipbuilders have had to relearn how to design and build the specialized vessel, say officials in the industry and the government.

Receding sea ice in the Arctic due to climate change is, paradoxically, increasing the need for icebreakers and other vessels that can handle rough conditions in and around the Arctic Ocean, officials say. Russian vessel traffic in the northern reaches of the globe is rising.

ANGELA OWENS/THE WALL STREET JOURNAL

**The Coast Guard icebreaker Healy arriving in Juneau, Alaska, last year.**

For the Coast Guard, a branch of the armed services that is part of the Department of Homeland Security, the goal is to launch a new class of armed icebreakers—called polar security cutters—that can tackle problems ranging from environmental disasters to strategic confrontation in icy waters. The total estimated cost of the polar security cutter program increased to $13.3 billion in 2021 from $9.8 billion in 2018, according to the Government Accountability Office.

The science-focused Healy medium icebreaker, which is normally assigned to the Arctic, has to undergo repairs and refitting annually in California or Washington. The other, the heavy icebreaker Polar Star, is nearing the end of its useful service life.

By comparison, Russia has three dozen national icebreakers suitable for the Arctic, according to the U.S. Coast Guard, and China has four, including two icebreaking research ships that regularly appear at high latitudes. U.S. officials suspect those have strategic purposes. Beijing says science is driving its Arctic ambitions.

Russia and China have also been increasing cooperation in the Bering Sea and the Arctic. One Coast Guard cutter intercepted a joint Russian-Chinese squadron of warships last year in the exclusive economic zone near Alaska's Aleutian Islands. Last month, a larger Russian-Chinese group was tracked by U.S. warships and surveillance craft.

Besides a powerful propulsion system, the key feature of a heavy polar icebreaker is its thick hull, Coast Guard officers say. The machinery and skills to build the hulls of most oceangoing vessels aren't sufficient for the specialized icebreakers. The hull plates need a bespoke alloy and specialized heat treatment, with a process to form and weld massive curved plates.

American yards are also reckoning with a shortage of shipwrights. Employment in ship and boat building totaled just 154,800 in July after peaking at 1.3 million during World War II, according to data.

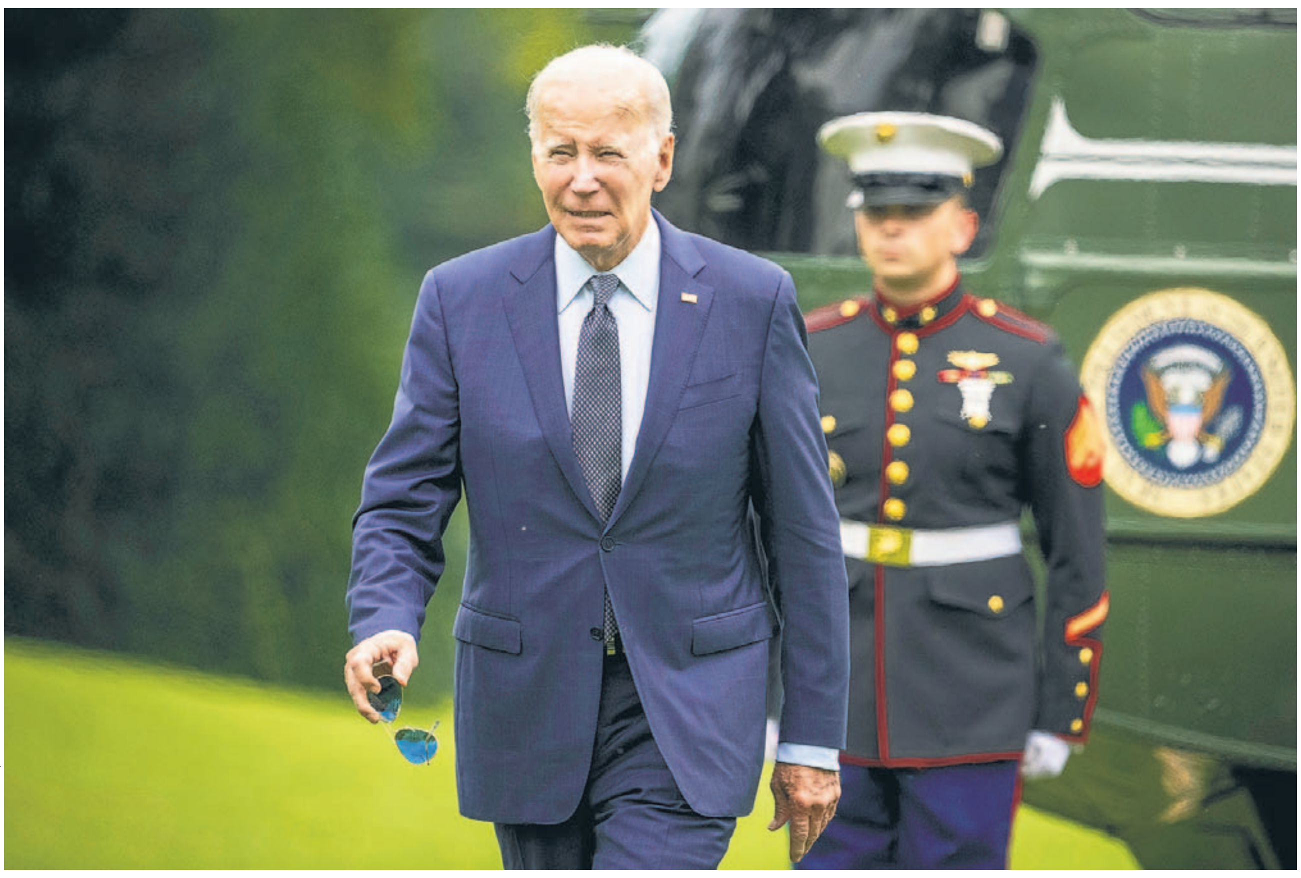
"One of the challenges is the workforce—getting qualified welders," said Bob Merchent, retired former chief executive of VT Halter Marine, since acquired by Bollinger Shipyards.

Under a joint Coast Guard-Navy program in 2017, Bollinger Shipyards and Halter Marine won contracts for preliminary designs for the new icebreakers. In 2019, Halter Marine won the contract for the polar security cutters, but the pandemic and other delays have slowed design and engineering work and prevented the start of construction.

In 2022, as Russian President Vladimir Putin launched two giant icebreakers in St. Petersburg, Halter Marine was finally supposed to start construction of the first new icebreaker, to be christened the Polar Sentinel. Instead the company, which was owned by a state-owned Singaporean firm with Chinese clients, was sold to Bollinger. The U.S. icebreakers needed a bigger company with more resources to complete the design work and begin working with the steel, according to people familiar with the program.

Only in August did Bollinger begin testing, cutting and assembling steel prototype modules that could become part of the Polar Sentinel—if the modules meet rigorous tests.

Full construction could begin next year.



ANDREW HARNIK/ASSOCIATED PRESS

President Biden arriving at the White House on Sunday. He has portrayed Republicans as more focused on theatrics.

# Challenges for President Mount A Year Before Re-Election Bid

By Sabrina Siddiqui And Tarini Parti

WASHINGTON—September keeps getting worse for President Biden.

Hours after his son was indicted last week, auto workers went on strike, walking out of plants owned by three major car companies. A possible government shutdown looms at the end of the month, and House Republicans have launched an impeachment inquiry. Gas prices are rising, and Biden's poll numbers remain underwater as he campaigns for a second term.

Biden has responded by portraying Republicans as more focused on theatrics than legislation. The White House pointed to Biden's actions in September as evidence of his leadership, citing investments in fighting cancer, the rollout of new Covid-19 boosters and dispatching top officials to Detroit to help support the United Auto Workers. "The president is focused on one thing: delivering for the American people," White House spokeswoman Olivia Dalton said.

Here is a closer look at the biggest problems on Biden's plate:

## UAW strike

The walkout by UAW workers at three plants comes after the union failed to clinch new labor deals with General Motors, Ford Motor and Jeep-maker Stellantis for about 146,000 U.S. factory workers.

The strike comes as Biden—who polls show is tied in hypothetical 2024 rematches with former President Donald Trump—tries to convince voters that the economy is on the upswing.

"It's not been a super news week for the president," said Adrian Hemond, a Democratic strategist in Michigan. Hemond said the political impact of the strike on the president will depend on how long it lasts and how that makes voters feel about the economy. "If the vibes aren't great, he will take some damage."

## Son's indictment

Thursday's indictment of Hunter Biden on federal gun charges was the latest development in a legal saga that has trailed the president's son and been a focal point for Republicans in Congress. The indictment sets up a high-profile prosecution of a sitting president's son as his father campaigns for a second term.

**The president has remained silent on his son Hunter's indictment.**

President Biden has so far remained silent on the indictment, which followed the collapse of a plea deal in late July that Hunter Biden and his team hoped would resolve a five-year investigation into his business dealings and taxes. Instead, President Biden will now have to face continued questions about his son's actions.

The White House has emphasized that it hasn't gotten involved in any of Hunter Biden's legal matters and that President Biden has never discussed them with the Justice Department.

## Impeachment probe

Republicans are aiming to put Hunter Biden's broader business dealings squarely at the center of the 2024 election. Announcing the impeachment inquiry Tuesday, Speaker Kevin McCarthy said that House Republicans "have uncovered serious and credible allegations into President Biden's conduct" related to his son's activities.

No evidence has emerged to show that the president benefited from Hunter Biden's endeavors or that he wielded government authority to favor them. But McCarthy has faced pressure from his right flank to launch an impeachment inquiry.

Democrats say Republicans are trying to muddy the waters in an election that will likely see a rematch between Biden and Trump, who faces four criminal indictments and is the front-runner for the GOP nomination. The White House, which has spent months preparing for the likelihood of an impeachment inquiry under House Republican control, decried the move as an "evidence-free goose chase."

## Funding fight

The threat of a government shutdown looms if Congress and the White House can't agree on a way to continue funding after Sept. 30.

House conservatives are seeking deeper reductions in spending, calling for more border security and resisting more aid for Ukraine, which the White House wants attached to any short-term spending bill. In past shutdown fights, Republicans have usually suffered more politically than Democrats, though it is unclear how one would reverberate this time.

## Gas prices, inflation

Biden has spent months touting a buoyant labor market and decline in inflation from a peak of 9.1% in June 2022 to 3% a year later. But rising gas prices could undercut part of the president's message.

Consumer prices rose by 0.6% in August, the largest increase in more than a year, according to the Labor Department. More than half of the increase was due to higher gasoline prices.

# GOP Factions in House Reach Pact On Stopgap Funds

By Katy Stech Ferek

Two major groups of House Republicans put together a short-term funding proposal to prevent a government shutdown, moving to break the deadlock in their party ahead of down-to-the-wire negotiation with Democrats to keep the government funded past Sept. 30.

The proposal unveiled Sunday by leaders of the hard-right Freedom Caucus and more centrist Main Street Caucus contains sharp spending cuts and a border-security provision that will make the legislation a nonstarter in the Democratic-controlled Senate. But the proposed monthlong extension signals that House Republicans are working to find a way to fund the government once the current fiscal year runs out, after efforts to pass legislation last week stalled amid conservative protests.

House lawmakers are expected to vote on the short-term continuing resolution, or CR, later this week.

It wasn't immediately clear if the legislation would have enough votes to pass, as a handful of Republicans quickly took to social media to say they opposed the proposal. No Democrats are expected to back it.

The proposal would extend government funding until Oct. 31 but cut discretionary spending levels by about 8% for most government programs, including agriculture, labor, environment and homeland security. The cuts wouldn't apply to the defense budget or the Department of Veterans Affairs.

Rep. Marc Molinaro (R., N.Y.) said the legislation would help avert "a government shutdown, bend federal spending, and secure the border."

Representatives for House Speaker Kevin McCarthy (R., Calif.) didn't respond to a request for comment on the proposal. The text of the 165-page bill was posted late Sunday on the House Rules Committee website.

Republicans control the House with a narrow 221-212 margin, so even small levels of GOP opposition could sink the bill.

"I'm a HARD NO! I'm sick of the DC backroom deals," said Rep. Cory Mills (R., Fla.) on social media. Rep. Dan Bishop (R., N.C.) said: "No CR. Pass the damn approps bills. Roll back the crazy bureaucracy." Rep. Marjorie Taylor Greene (R., Ga.) also said she opposed the proposal.

Congress is working to pass the 12 annual appropriation bills that fund the government. Leaders of both parties in the House and Senate have thrown their support behind reaching a short-term deal to allow more time to pass legislation and reach a full year spending agreement, but some House Republicans had insisted that no short-term deal be reached without significant concessions on contentious issues such as immigration, Ukraine funding and reining in federal spending.

Sunday's proposal contains parts of a border-security act that House Republicans narrowly passed in May, which would pour money into personnel and equipment, make it harder to seek asylum and cement into law Donald Trump-era policies such as resuming construction of a southern border wall.

The lawmakers behind the deal represent different brands of conservative ideology. Reps. Scott Perry of Pennsylvania, Chip Roy of Texas and Byron Donalds of Florida are members of the strongly conservative House Freedom Caucus.

Other lawmakers who negotiated the proposal represent the Republican Main Street Caucus, which represents moderate House Republicans. Those included Rep. Dusty Johnson (R., S.D.), its chair, along with Stephanie Bice of Oklahoma and Kelly Armstrong of North Dakota.

The proposal doesn't contain additional aid for Ukraine, rebuffing a recent White House request for billions in further support amid sharp opposition from some Republicans. Ukrainian President Volodymyr Zelensky is planning to travel to Washington later this week to try to persuade U.S. lawmakers to commit to sending additional money and weapons for his war-torn country. The Biden administration has asked lawmakers to approve $24 billion in additional funding for the country.

Rep. Rosa DeLauro (D., Conn.), the top Democrat on the House Appropriations Committee, criticized the proposal.

"Less than two weeks away from a government shutdown, House Republicans are still more focused on introducing extreme funding bills...than working on bipartisan solution that could be enacted," she said in a statement.

*—Siobhan Hughes contributed to this article.*

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# Probes Strain Biden, Garland Relations

By Aruna Viswanatha And Sadie Gurman

WASHINGTON—The already frosty relationship between President Biden and his attorney general, Merrick Garland, is now in a deep freeze.

CHRIS KLEPONIS/PRESS POOL

Merrick Garland

Respect and admiration among White House aides for Garland, a longtime federal appeals-court judge chosen to underscore the independence of the Justice Department, has shifted for some into resignation and distrust. They point to Garland having appointed not just a special counsel to investigate former President Donald Trump, but two others as well: one looking into Biden and another probing his son, Hunter Biden. On Thursday, the latter indicted the younger Biden on gun charges.

Some Biden aides have said they see Garland's handling of the inquiries into the Biden family as driven less by a dispassionate pursuit of justice than by a punctilious desire to give the appearance that sensitive investigations are walled off from political pressure, people familiar with the matter say.

Those aides point out, for example, that prosecutors closed within months an inquiry into classified documents found at former Vice President Mike Pence's Indiana home, but assigned a special counsel—with wider latitude and more independence—to examine similar issues for Biden, also a former vice president. That probe remains open.

As for the Hunter Biden case, a lawyer for him said the decisions to appoint a special counsel and indict the president's son after he had agreed to a plea deal reflected "partisan interference in this process."

A spokeswoman for Garland declined to comment. White House spokeswoman Olivia Dalton said Biden appointed Garland "because of his decades of fidelity to the rule of law consistent with his commitment when he ran for president to restore the independence of the Justice Department, free from political interference."

The attorney general's allies say those appointments aren't him bending to pressure, but rather insulating the probes that touch on Biden—Garland's boss and the man who appointed him. Garland has pledged to lawmakers not to interfere with the Hunter Biden investigation, and President Biden has repeatedly said any decisions about the investigations are "up to the Justice Department."

"He's doing what the president asked him to do, and that is restore justice to DOJ, and follow the facts and follow the law and keep the politics out of decision-making," said Anthony Coley, Garland's former spokesman, who said Garland has never been a frequent presence at the White House.

Hunter Biden's plea deal, agreed to in June, raised hopes among President Biden's allies that his yearslong legal and personal drama could largely be resolved and not hang over the 2024 presidential campaign. After the agreement imploded in court, though, Garland made the Trump-appointed Delaware U.S. attorney, David Weiss, a special counsel to continue the five-year probe.

That left some White House aides believing Garland had mismanaged the inquiry, the people said. Some Biden aides also felt Garland should have taken a firmer hand after agents working on the case came forward to Republican lawmakers with allegations of improper interference in the investigation, which the aides viewed as agents improperly leaking investigative information. Hunter Biden's lawyers have argued as much directly to the Justice Department, while the agents have said they were reporting concerns through appropriate channels.

The agents' accounts have fueled criticism of the Hunter Biden investigation among Republicans, who plan to question Garland about the case this week during what is expected to be a fiery hearing of the House Judiciary Committee.

Adding to the fraught relationship between the Justice Department and the White House, special counsel Robert Hur has been negotiating with President Biden's lawyers for weeks over the contours of an interview with the president, according to people familiar with the matter.

Hur was appointed by Garland in January to investigate why classified documents ended up at a Washington think-tank office used by Biden after he left the vice presidency, and at his Wilmington, Del., home.

Garland has said he agreed to take the job because Biden had promised the Justice Department would make all decisions about investigations and prosecutions.

# Paxton Avoids Conviction in Impeachment Trial

By Adolfo Flores

AUSTIN, Texas—Ken Paxton, one of the state's most prominent conservative combatants, was acquitted Saturday of all charges by the Texas Senate in an impeachment trial.

The embattled attorney general of Texas faced 16 articles of impeachment. Senators served as jurors and only needed to convict him on one of the charges by a two-thirds majority to remove Paxton from office.

Senators turned in hand-marked ballots votes on each article, which were read aloud by the clerk. Then, Lt. Gov. Dan Patrick, who was presiding over the impeachment proceedings, polled each senator and announced the vote totals.

Immediately after Paxton was acquitted on the 16 articles, members of the chamber voted to dismiss four remaining articles of impeachment that were held back to be considered at the end of the trial.

Only two Republican senators, Bob Nichols and Kelly Hancock, voted to convict on any of the charges.

Paxton, 60 years old, also faces a federal investigation, a state bar complaint for seeking to overturn the 2020 presidential election and a whistleblower lawsuit.

Paxton was suspended as attorney general in May, when the state's Republican-majority House of Representatives voted to impeach him over allegations he commandeered the state's law-enforcement powers to help a donor facing federal investigation. The donor, real-estate investor Nate Paul, is alleged to have helped pay for Paxton's home renovations and facilitate an extramarital affair. Neither Paul nor Laura Olson, the alleged mistress of Paxton, testified at the trial.

There are 12 Democrats and 19 Republicans in the Texas Senate. Among them is Paxton's wife, Angela, a Republican who has been present during the trial but couldn't vote under the Senate impeachment rules. She hugged the attorneys representing Paxton after the trial ended before leaving the chamber.

In a statement, Paxton said the truth prevailed on Saturday and thanked state senators for their votes.

"Most importantly, I want to thank my amazing wife Angela, who I love dearly," Paxton said.

Republican House Speaker Dade Phelan said in a statement that the outcome isn't the end of the matter; Paxton is still the subject of other lawsuits, indictments and investigations.

"It is unfortunate that the outcome of this process will ultimately relinquish control of the state's top law enforcement agency to an individual who, I believe, clearly abused his power, compromised his agency and its employees, and moved mountains to protect and benefit himself," Phelan said.

Tony Buzbee, Paxton's lead attorney, maintained during his closing arguments that house managers had failed to prove beyond a reasonable doubt any of the charges. Buzbee said that the whistleblowers and former top deputies who filed a lawsuit against the attorney general had no evidence to support their claims that he had illegally used his position to help Paul. "He was come after by a group of misinformed ill-advised people with no evidence," Buzbee said. "This is a political witch hunt."

The impeachment cast into sharp relief an internecine fight between the far-right conservatives who back Paxton and comparatively moderate Republicans in the country's largest red state.

Far-right Republicans had threatened to back primary candidates against sitting GOP senators who voted to convict Paxton.

BOB DAEMMRICH/ZUMA PRESS

Texas Attorney General Ken Paxton, center, sat with lawyers Tony Buzbee, left, and Mitch Little, on Friday.

## U.S. WATCH

SOUTH CAROLINA

### F-35 Jet Lost After Pilot Bails Out

An advanced F-35 jet fighter was missing Sunday after a mishap forced a Marines Corps pilot to eject near Charleston, S.C., the service said.

The pilot was being treated at a local hospital but the plane itself couldn't be found as of Sunday evening, a spokeswoman from Joint Base Charleston said.

The jet was assigned to a training squadron from the 2nd Marine Aircraft Wing based in North Carolina. The joint base asked the public to call if they have information to help find the aircraft.

The base is working with the Federal Aviation Administration to locate the missing plane. The FAA declined to comment, referring the matter to the military.

*—Ben Kesling*

NEW YORK

### Daycare Owner Arrested in Death

The owner of a New York City daycare center and a tenant living in the building were arrested Saturday after a 1-year-old boy died and three other young children were sickened by what officials described as apparent exposure to opioids.

The arrests came a day after authorities discovered four children—ranging in age from 8 months to 2 years—showing signs of suspected opioid overdose after spending time at the Bronx daycare, Divino Niño.

Nicholas Dominici, a 1-year-old child, was pronounced dead at a local hospital. Three others were revived after medics administered doses of the overdose-reversing drug Narcan.

On Saturday evening, police arrested the owner of the facility, Grei Mendez, 36, and a building tenant, Carlisto Acevedo Brito, 41, on charges including depraved indifference murder.

*—Associated Press*

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# Arizonans Seek Heat Assistance

By Alicia A. Caldwell

Debra and Paul McKnight lived in the desert Southwest for about a dozen years and were used to temperatures in the 100s. When their truck broke down on a drive in Arizona last month, it was 118 degrees.

With no water on hand, the couple got out to look for help. Paul soon noticed that Debra, 46 years old, could barely walk. He eventually got water from a creek half a mile away, but by the time he returned, she was severely dehydrated. They eventually got help from a passerby three hours after they broke down, but Debra died soon after of heat stroke.

"I was trying to find any way to cool her off that I could," Paul McKnight recalled. "She was just too far gone."

With deaths rising in Arizona as the state breaks high-temperature records year after year, a coalition of local leaders including Phoenix Mayor Kate Gallego, a Democrat, are calling for the Federal Emergency Management Agency to categorize heat waves as natural disasters, like wildfires, hurricanes and floods.

Researchers say heat kills more Americans than any other weather-related event, though the data collection is inconsistent across jurisdictions.

The Centers for Disease Control and Prevention recorded some 1,700 heat deaths in the U.S. last year, which researchers say is almost certainly a significant undercount. Studies of excess deaths have pegged the number at closer to 10,000 annually.

Maricopa County, home to Phoenix, reported 425 heat-related deaths last year and is on track to exceed that figure this year.

The problem is particularly acute in Arizona: The state endured an unprecedented 31 straight days above 110 degrees between June 30 and July 30. In the Phoenix area, a record 22 days in August exceeded 115 degrees.

"It was the hottest summer on record," said Matthew Hirsch, lead meteorologist at the National Weather Service's Phoenix office. "But the hottest summer on record has actually happened five times out of the past 11 years. So we keep on breaking records."

The Biden administration hasn't heeded calls to add heat waves to the list of natural disasters, but the president met with Arizona officials including Gallego in July to discuss the issue. FEMA also has issued guidance on how cities and states should prepare for extreme heat events.

Rep. Ruben Gallego, a Democrat who represents the Phoenix area in Congress and was previously married to the mayor, proposed legislation in June to include extreme heat events on the list of natural disasters FEMA responds to. The bill hasn't been taken up in a committee.

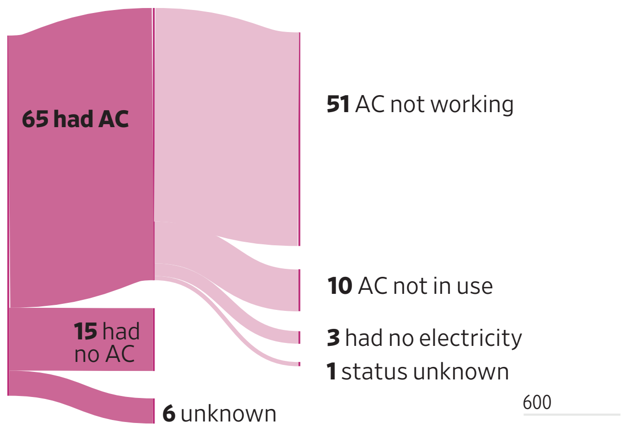
Many of those pushing for greater recognition of the toll extreme heat takes say better data are needed. Deaths from heat stroke are easy to recognize by high core body temperatures, but for many victims, the heat is a secondary factor that contributes to other causes of death such as heart disease.

Prescription medications, including for mental illness, can make it harder for the body to regulate temperature, making the patient more susceptible to extreme heat.

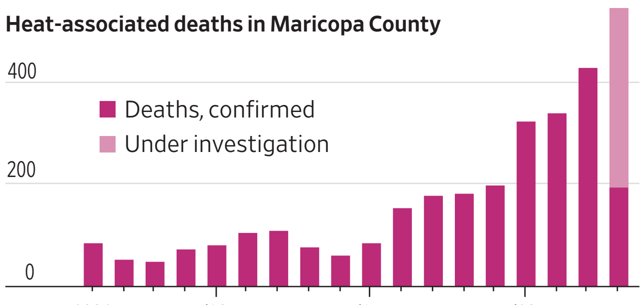
For deaths where heat isn't the obvious and only culprit, classifying them as heat-related can be complicated and subjective.

*—Tali Arbel contributed to this article.*

**Of the 86 people who died indoors from heat-associated causes in Maricopa County, Ariz., in 2022, at least 79 didn't have operating air conditioning**




**Heat-associated deaths in Maricopa County**




Note: 2023 figures through Sept. 2
Source: Maricopa County

# A Rash of Alligators Up North

Continued from Page One
named Fluffy was recovered in a creek outside Philadelphia, a second was caught at an apartment complex in Beltsville, Md., while another fugitive alligator eluded police in Middlesex, N.J., before being caught this month.

In Pennsylvania, the waters of the Kiski were once rust-colored from acid mine drainage, but now they run clear between steep green hills and draw families in kayaks, fly fishers and retirees who stroll along a path on the riverbank.

Chief Bartolicius didn't like the idea of an alligator trolling the area. He organized a search that grew to include the township's 12 police officers and staff from the state fish and game commission, four fire departments—and about a dozen residents.

A drone skimmed the river, and one resident flew his helicopter back and forth. In the end, two kayakers hauled the alligator out of the water with their bare hands Aug. 6. When the animal protested, they calmed it by petting its head.

Amber Phillips, who runs an animal shelter downriver, kept the alligator overnight. She named it "Chomper," cranked up the thermostat in a room, and went home. The shelter has 65 cats and one turtle, and she had a fitful night worrying that Chomper would escape and live up to his name.

Today, Chomper lives at Nate's Reptile Rescue in South Park, Pa., with two other alligators and dozens of turtles, snakes, toads and bearded dragons. Founder Nate Lysaght said he once rescued a 6-foot alligator that was so well-trained it walked up the stairs from its basement lair and out to his waiting truck.

Many people get baby alligators when they can rest in your palm, and then the animals grow about 6 to 12 inches a year, according to Lysaght. "Once they become 4 feet they're absolutely a deadly animal if you don't know what you're doing," he said.

The story might have ended there, but within days, reports of two more alligators in the Kiski reached Chief Bartolicius. A 2½-half-foot alligator named Neo escaped during a botched transfer to a pet owner in town, he says. The origins of the other alligator are murkier.

**'We just want them caught, and we're running out of time.'**

A resident who lives near the river and owns 10 alligators, according to the police chief, has said his pets are accounted for. The person said via text he wasn't available to comment.

"It's getting to be too common of a thing," said Ken Kaminski, 64, who once worked as a firefighter for a steel company. He is now president of the Roaring Run Watershed Association, a nonprofit that has reclaimed 653 acres near former coal mines and turned a former canal towpath into a pleasant 5-mile trail along the Kiski.

At a lush bend in the river where the water is emerald green, Kaminski pointed to an embankment where he said muddy slide marks and three-pronged footprints were found post-Chomper.

Phillips, director of Champion's Crusaiders Rescue in nearby Parks Township, Pa., said she baited a cage-like trap in the area with chicken tenders. When one of the animals currently on the loose managed to take the chicken and back out, she realized she needed a bigger trap.

"I'm so over this gator thing," said Phillips, who added that she hates the river, isn't a people person and has even less patience for careless pet owners. Now she plans to wait for more sightings before trying to catch the alligators again. "There's no point in causing a ruckus if we don't have to," she said.

For some, the alligators in the Kiski are still a curiosity. Madeline Frech, a therapist at a drug and addiction rehabilitation center, said she wasn't worried as she and her parents, Martha Frech and Kerry Frech, both civil engineers, launched their kayaks into the river.

"I don't think it'll be a problem, as long as I out-kayak these two," said Martha Frech, 61, of her 29-year-old daughter and 68-year-old husband.

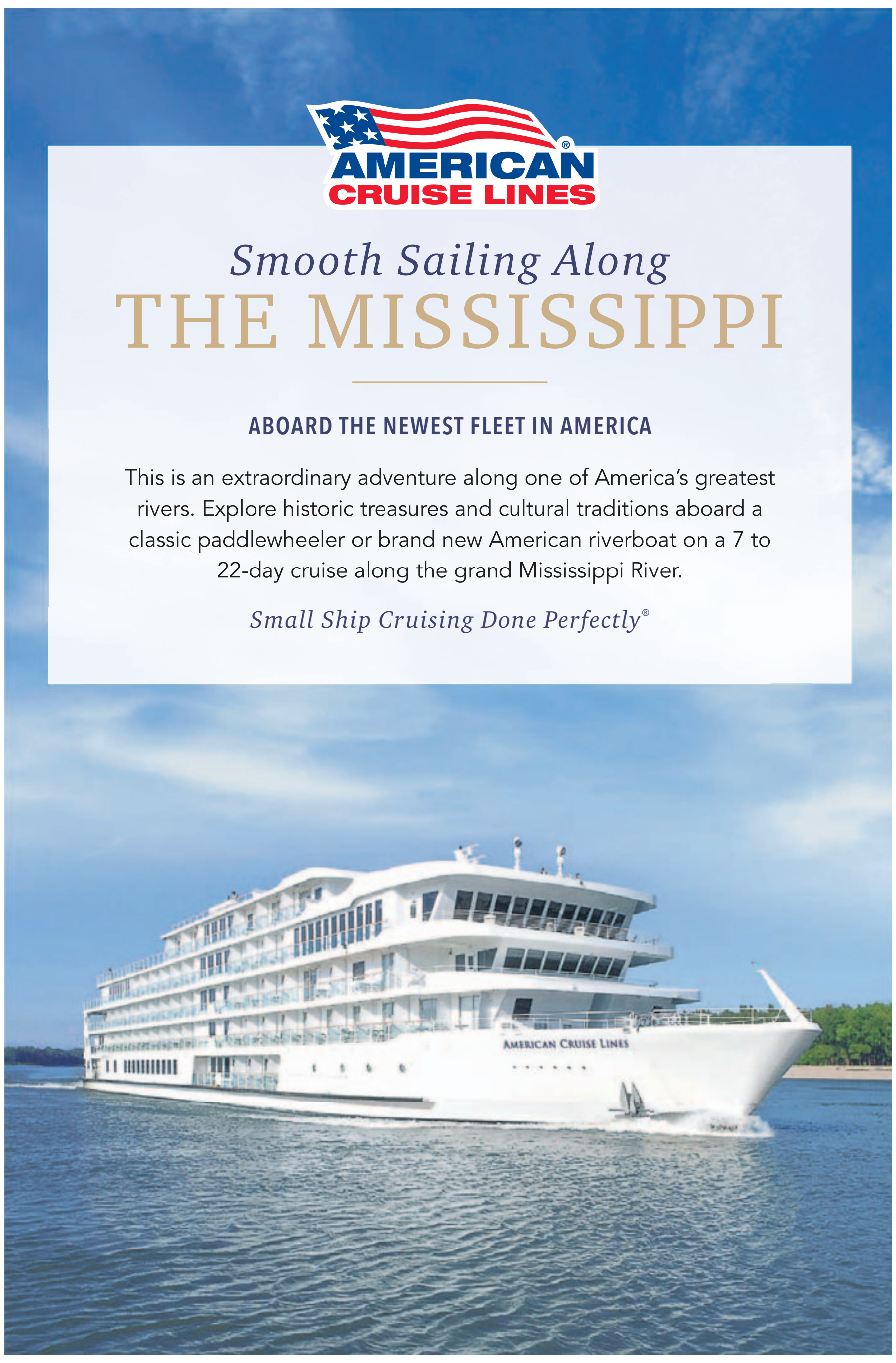
Michael Petrouski, 53, a machinist with Alcoa who lives across the street from the river, said Chomper "really turned the world upside down around here." Petrouski blew up a bright-green inflatable alligator and put it in his yard to amuse people passing by.

An avid birder, he said he's spotted over 150 species along the Kiski, including scarlet tanagers and indigo buntings. But Petrouski is also using his binoculars now to search for alligators on his morning walks, worried about the coming winter. "We just want them caught, and we're running out of time," he said.

After Pittsburgh had a rash of escaped alligators in 2019, the city passed an ordinance that banned residents from owning them.

At a meeting in Kiskiminetas Township last week, tempers flared over a draft ordinance that would have put stricter regulations on the owners of pets ranging from Saint Bernards to Burmese pythons and also made it illegal "to own, possess, use, transport, or traffic in a crocodilian."

The broad proposal drew jeers, with about 150 of the township's 4,600 residents overflowing the room. When it was withdrawn, cheering and applause filtered out into the night.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# WORLD NEWS

# Libya Flooding Overwhelms Aid Workers

## Rescue personnel say scale of death, damage is beyond their capabilities

Relief workers say the magnitude of the crisis in Libya is overwhelming as aid trickles in following floods that killed thousands, with equipment and manpower shortages, concerns about disease and rivalries between the country's competing authorities.

*By **Jared Malsin, Summer Said, Benoit Faucon** and **Chao Deng***

ZOHRA BENSEMRA/REUTERS

**Volunteers in Derna on Sunday carried a body found beneath the rubble of a building, days after a deadly storm struck Libya.**

"The humanitarian situation is catastrophic," said Basheer Omar, a spokesman for the International Committee of the Red Cross. "It is literally beyond the capacity of international organizations operating in Libya, not just local authorities."

A week after the Mediterranean Sea cyclone called Daniel unleashed the floods, rescue and recovery teams are still working on basic tasks such as finding the dead, clearing rubble and identifying who is in most need of aid. They continued on Sunday to evacuate the coastal city of Derna, where two burst dams let loose a wall of water that cut a path of destruction through the old city center. Authorities say they still can't properly estimate the death toll, but it is certain to rise from the official tally of 6,000.

Aid groups now estimate that about 30,000 Derna residents lost homes out of a total population of 120,000. "It's a lost city," said Muhammad Bin Hariz of Libya's Red Crescent in Benghazi.

The Red Cross, one of the world's biggest humanitarian organizations, has deployed at least 400 volunteers and supplies ranging from medication to satellite phones to 1,000 body bags. Turkey dispatched a pair of warships, including its only aircraft carrier, to eastern Libya, along with 360 personnel and 122 vehicles, including ambulances, rescue trucks and equipment for three field hospitals, the Turkish Defense Ministry said. None of it is close to enough, said aid workers, residents and international observers.

"So much has been destroyed," said Claudia Gazzini, a senior Libya analyst with the International Crisis Group, who visited Derna, the disaster's epicenter. "Rescue efforts are small in comparison to the damage."

Anger is rising among Libyans who view the flooding as a symbol of poor governance in the country. The two dams that collapsed last Monday hadn't been maintained in more than 20 years, despite the allocation of government funds for that purpose.

The disaster and its aftermath have cast a spotlight on Russian-backed militia leader Khalifa Haftar, whose forces and an allied government control eastern Libya. A separate government internationally recognized by the United Nations controls Tripoli and much of western Libya.

On Friday, Haftar visited Derna to assess the situation. He has placed his son, Saddam Haftar, who leads his business ventures in Libya and is often seen as his heir apparent, in charge of the response to the disaster. The younger Haftar heads the Tariq bin Ziyad Brigade, an armed group that controls most of the roads leading to Derna.

Local authorities have closed a section of Derna to the general public. Some aid groups have complained that the access restrictions are hampering relief efforts, as Libyan volunteers pour into the area in a display of solidarity.

"They came in and closed the entrances for no reason, saying they didn't want unknown people to come in," said a Libyan aid worker. "Those of us coming from Tripoli to help can't get in."

Ahmed Rashed, spokesman for the International Rescue Committee in Libya, a humanitarian organization that responds to crises, said the security forces had imposed restrictions to control a situation in which people were arriving without training or any real means to help. All aid workers now need written authorization from security forces. "Many people were asked to turn back because they don't have such documents," Rashed said.

Hussein al-Aqouri, a Libyan diver, said he has been waiting in the nearby town of Susa with a group of 90 other divers for permission to enter Derna for the past three days. "We need to get in as soon as possible before this gets even more horrific. It is already a doomsday situation," he said.

Mohamed Eljarh, a managing director at security consulting firm Libya Desk, said relief operations had been handled with "pure incompetence."

Libyan officials have pushed back against accusations of corruption and mismanagement. "Don't say 'if only we'd done this, if only we'd done that,' " said Aguila Saleh, the speaker of Libya's eastern-based parliament on Thursday night. "What took place in our country was an incomparable natural disaster."

## Survivors Wait For Elusive Help

Survivors of Libya's deadly flooding said they were in desperate need of food, drinking water, shelter and clean clothes.

There were accusations of profiteering, with some traders charging 30% markups for items such as blankets and coffins.

"I'm here with three other people in the basement. Where is the help? Where is the aid?" said Houda al-Maqsib, a 37-year-old Derna resident. "Please help us with some food. Please. We are slowly dying here."

The presence of dead bodies and the lack of clean drinking water in particular is fueling concerns about disease eventually spreading through Derna.

The stench of raw sewage and decaying bodies is rising amid mass burials.

"You smell dead people at every corner. We want to clear all the area of the dead," said Osama Aly, the spokesman for Libya's emergency authority, which is based in Tripoli, in western Libya, and is part of the relief effort.

Haider al-Saeih, head of Libya's National Center for Disease Control, said at least 150 people have been diagnosed with diarrhea after drinking contaminated water.

He said Derna would be under an emergency declaration for at least a year.


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# Migrant Workers Suffer in Kuwait's Heat

## Foreigners describe blistering conditions hurting their health; 'there's no oxygen'

By Chao Deng

In Kuwait, the speed of rising temperatures means tough conditions are becoming unbearable.

HUDA ABDULMUGHNI FOR THE WALL STREET JOURNAL

KUWAIT CITY—Ice-cream seller Ramadan Daber pops painkillers to relieve the headaches induced by this city's merciless heat, as he waits for customers for nine hours at a stretch. Sometimes he can't see because of the humidity. At other points, he struggles to breathe.

"It's like there's no oxygen," said Daber, one of thousands of Egyptian migrants who work on Kuwait's searingly hot streets, his only shade from a thin red-and-orange parasol.

As this year simmers toward being the hottest in history, the Gulf is at the center of the cauldron. Temperatures in the Middle East and Eastern Mediterranean region where Gulf states sit have risen almost twice as fast as the global average every decade since 1981, according to analysis of historical climate data and current observations.

In Kuwait, one of the world's hottest countries, the speed of the temperature rise means tough conditions are quickly becoming unbearable. Mitribah in the country's northwest hit 54 degrees Celsius, or 129 degrees Fahrenheit, in 2016, the third-highest temperature ever recorded on Earth, exceeded only by Kebili, Tunisia, in 1931 and Death Valley, Calif., in 1913.

In summer, a season that stretches from June to early October here, daily peaks over 120 degrees Fahrenheit are becoming more common.

Kuwait is seeing more days where temperatures exceed 122 degrees, according to data from the Kuwait Meteorological Department.

In the decade from 2011 to 2020, Kuwait recorded 48 days where the temperature reached 122 degrees or above, compared with 15 days in the decade from 2001 to 2010 and nine days from 1981 to 1990, the department said. The two decades previous to that saw no temperatures so extreme.

The weather has fluctuated in recent years, with last year seeing only three days reaching 122 degrees or above, but 2021 seeing a dozen such days.

Millions of migrant workers in the Gulf, many of whom make a living outdoors, are among the people most immediately exposed to global warming.

"They are the canaries in the coal mine so to speak for climate change," said Barrak Alahmad, a researcher at Harvard University who studies the impact of heat in Kuwait. Non-Kuwaiti workers in the country are three times as likely to die on days of extreme heat as the local population, according to his research.

The dangers of working at blisteringly high temperatures have pushed some Gulf states to impose varying bans on outdoor work during the middle of the day, but the rules aren't always enforced. Morning and nighttime can also be dangerously hot, especially when humidity and high temperatures coincide, say doctors and labor activists.

Kuwait bans outdoor work from 11 a.m. to 4 p.m. in June, July and August, but like most of the region brings in migrant workers under the *kafala* system, where employers control sponsorship permits and hold the passports of their employees.

Labor-rights activists say the unequal power dynamic leaves migrant workers vulnerable to exploitation. Government healthcare for migrant workers in Kuwait is available but basic, and most workers don't seek medical help, to avoid fees they can't afford.

A growing body of scientific research shows that major organ damage from heat is due in part to muscle tissues breaking down as the heart pumps blood away from vital organs toward the skin where it can cool off.

Kuwaiti health officials say they haven't seen a rise in heat-related symptoms among migrant workers being reported by the country's hospitals. Spokespeople for Kuwait's Public Authority for Manpower, which put in place the midday ban, and the Ministry of Health didn't respond to requests for comment.

Despite the ban on working outside during the day, Daber's daily shift selling ice cream goes from 2 p.m. to 11 p.m. and he only earns money when he makes sales.

Daber's go-to method to cool down is sticking his head over the icebox. He also keeps a blue towel in there to wipe his sweat and chill his eyes.

"I pray to God," he said. He also relies on his friend who works in an air-conditioned electronics store opposite when things get too much.

Despite the dangers, though, the ability to send money to their families keeps Daber and others like him working in the sun-scorched conditions. "We're forced to do this because there are no jobs in Egypt," he said.

*—Yasmena Al Mulla contributed to this article.*

DADO GALDIERI FOR THE WALL STREET JOURNAL (2)

Wind turbines in Brazil are prompting a big-cat migration. Below, the skull of a puma that was shot in a protected area.

# Wind Farms Threaten Brazil's Big Cats

By Luciana Magalhaes And Samantha Pearson

JUAZEIRO, Brazil—Weighing more than 100 pounds, big cats have long reigned over this hot and semi-arid region of Brazil, developing tougher paws for the scorched earth and reaching speeds of 50 miles an hour to bring down wild boar and deer.

But nothing could have prepared them for the 150-foot blades now slicing up the deep blue sky above them.

Jaguars and pumas are facing extinction in the Caatinga, Brazil's northeastern shrublands, as Europe and China pour investment into wind farms, puncturing the land with vast turbines that are scaring the animals away from the region's scant water sources.

Particularly sensitive to changes to their habitat, the jaguars and pumas abandon their lairs as soon as construction work on the wind farms begins, said Claudia Bueno de Campos, a biologist who helped found the group Friends of the Jaguars and has tracked the region's vanishing feline population. They then roam vast distances across the dusty plains in search of new streams and rivers.

The weakest perish along the way. Others venture closer to villages, where locals have started laying traps to protect their small herds of goats and sheep, often their only form of survival in this impoverished region.

The wind-power industry has doubled its capacity in Brazil since 2018, setting the country up to be the world's fourth-biggest producer by 2027 behind China, the U.S. and Germany, according to the Brazilian Wind Power Association, an industry body.

But by helping solve one problem—climate change—the wind industry risks creating others, warn conservationists. Indigenous groups recently staged protests in Brazil over the installation of turbines on lands they say are rightfully theirs, while environmentalists have also raised concerns that wind farms installed on compacted sand dunes on the northern coast could have damaged underground reservoirs.

In the U.S., the industry has recently hit a series of setbacks, from supply-chain issues to spiraling costs.

"Wind power is a fantastic proposal, and the northeast certainly has plenty of wind...but wind parks must also take into account what is happening here on the ground," said Campos, who also works for the government-run Chico Mendes Institute for the Conservation of Biodiversity.

Killing jaguars or pumas—or most other wild animals in Brazil—carries a jail sentence of up to 18 months, but there is little enforcement, Campos said. "Normally, the villagers bury or burn the bodies—they find a way to make them disappear."

There are now an estimated 30 jaguars and 160 pumas left in Boqueirão da Onça, "Jaguars' Ravine," a protected area, and their main habitat in the Caatinga, according to Friends of the Jaguars. Since 2009, the number of jaguars in the Caatinga has fallen 40% while the number of pumas has dropped 20%.

While the big cats are still plentiful in the Amazon and Brazil's Pantanal wetlands, those in the Caatinga are unique, having adapted to cope with the intense heat.

The disappearance of the felines would throw the region's ecosystem out of whack, leading to a proliferation of animals that serve as prey, such as wild boar, deer and armadillos, said Felipe Melo, a researcher at the Federal University of Pernambuco who has studied the impact of the wind-power industry in the Caatinga.

# Attorney General Bucks Netanyahu

By Dov Lieber And Anat Peled

JERUSALEM—Israel's attorney general, Gali Baharav-Miara, has been called the most dangerous woman in the country by her detractors—and a real-life Wonder Woman by her supporters.

Both sides would describe her as one of the fiercest critics of Prime Minister Benjamin Netanyahu's plan to overhaul the judiciary.

Baharav-Miara, 63, has clashed with the veteran leader more than any previous attorney general, Israeli legal experts say. In a rare move, the government's top legal adviser—appointed on the recommendation of an independent public committee—has refused to defend the administration after petitioners asked the Supreme Court to overturn the first law enacted as part of the broader judicial overhaul.

Instead, she is supporting the petitioners in asking the court to strike down the law, which limits the court's ability to annul government decisions it deems "unreasonable in the extreme."

"What is happening now has never happened before," said Amir Fuchs, a senior researcher at the Jerusalem-based Israel Democracy Institute, a think tank that opposes the legislation.

Since Netanyahu came back to power late last year, Baharav-Miara has had a series of confrontations with him and his government.

After Netanyahu's government announced the plan to overhaul the judiciary, Baharav-Miara said he couldn't be involved with the legislation because it would breach a court ruling barring him from actions that could influence the outcome of his corruption trial, in which he denies wrongdoing. When protests brought the country to a halt in late March, Netanyahu declared he had no choice but to get involved.

Just before Netanyahu made the address, his coalition passed a law that said the prime minister could only be removed from office because of health reasons, after Baharav-Miara informed the prime minister he was in breach of a conflict-of-interest agreement. The Supreme Court has agreed to hear petitions to strike down the law, a decision Baharav-Miara also supports, though she has told the court she isn't currently considering removing Netanyahu over his perceived conflict of interest.

The current justice minister, Yariv Levin, the architect of the judicial overhaul, sent a letter to Baharav-Miara in August criticizing her for opposing some of his policies in front of the Supreme Court.

"Is there anywhere in the world, even in nondemocratic countries, where the person who is supposed to represent a party to a proceeding requests that a judgment be given against the party he represents?" he wrote.

She also opposed the senior cabinet appointment of Aryeh Deri, an ultra-Orthodox lawmaker and Netanyahu confidant, who was twice convicted of corruption and who judges said had vowed to remain out of politics as part of a plea deal. She also clashed with National Security Minister Itamar Ben-Gvir when he tried to fire the Tel Aviv police chief for being too lenient on anti-overhaul protesters who had repeatedly blocked highways.

Baharav-Miara, a graduate of Tel Aviv University's law school, began as a little-known public servant, working for 30 years in the Tel Aviv district attorney's office. She served a short stint as a consultant for a law firm before being launched into the limelight in her current position. She became Israel's first female attorney general when in 2021 she was appointed by a government packed with Netanyahu rivals.

People who work with her describe her as professional, dedicated to her job and unmoved by outside tension.

"Pressure is being put on us to bias our professional judgment and violate our duty as gatekeepers," she said in a speech at the state prosecutors' conference in July. "I will not be deterred."

GIL COHEN-MAGEN/REUTERS

Gali Baharav-Miara and Israel's government have been at odds.

# Wartime Pope Knew About the Holocaust, Letter Suggests

By Francis X. Rocca

ROME—A letter in the Vatican's archives suggests that Pope Pius XII knew about the Nazi death camps as early as 1942—the latest discovery on the controversial question of whether the wartime pontiff should have said or done more to oppose the Holocaust.

The letter, from an anti-Nazi German priest to Pius's private secretary in December 1942, refers to the death camps of Auschwitz and Belzec in German-occupied Poland and describes the crematoria at the latter, where up to 6,000 people "die every day, especially Poles and Jews."

A Vatican archivist, Giovanni Coco, found the document, which will be published by the Vatican this month in a scholarly book on Pius's pontificate. The letter, earlier reported by Italian daily Corriere della Sera, is an important element in the long-running debate over Pius's silence on the genocide.

Pius made oblique public references to Nazi atrocities, notably in a 1942 Christmas radio address where he referred to "those hundreds of thousands who, without any fault on their part, sometimes only because of their nationality or race, have been marked down for death or gradual extinction." But he didn't explicitly blame Germany or specify the targeting of the Jews.

Pius's defenders have argued that he believed an explicit denunciation would have made things even worse for Jews, as well as for the Catholic Church, and that he approved efforts by church authorities to quietly hide and assist Jews in Italy and other European countries.

Critics attribute various motivations for his failure to say more, including fear of Nazi retaliation against church personnel and an attachment to the Vatican's practice of neutrality in international conflicts, which they argue don't justify his abdication of moral authority.

The debate over Pius's silence has been running for six decades, since the German writer Rolf Hochhuth, in his 1963 play "The Deputy," portrayed the wartime pope as indifferent to the Jews' fate. It has unfolded against the background of the Vatican's efforts at dialogue with Jews.

In October, a Vatican-sponsored academic conference in Rome will feature researchers on both sides of the debate about Pius's wartime stance. Cardinal Pietro Parolin, the Vatican secretary of state, and Rabbi Riccardo Di Segni, the chief rabbi of Rome, will also speak at the event.

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# WORLD NEWS

# *Weather Pressures Ukraine*

A soldier from Ukraine's 3rd Separate Assault Brigade looks out from a trench near Bakhmut.

LIBKOS/ASSOCIATED PRESS

*Continued from Page One*
added: "The offensive operation will continue on all fronts."

U.S. Army Gen. Mark Milley, the chairman of the Joint Chiefs of Staff, was more cautious about Ukraine's ability to advance this year. Its forces have "probably about 30 to 45 days' worth of fighting weather left" this year before conditions turn against them, he told the BBC.

Another Western defense official said that around the end of October, Ukraine will need to transition to holding ground from attacking, and more to protecting civilian infrastructure from Russian drones and missiles during winter.

While the weather remains hot and largely dry, Kyiv's forces are trying to advance. In August, they seized the village of Robotyne and expanded a salient around it, piercing Russia's main defensive line and raising hopes of a breakthrough after months of painful gains measured in yards a day.

Even if Ukrainian forces can't punch through to the Azov Sea, about 55 miles south of their current front, advancing just 5 or 10 miles could put Russia's vital supply lines within range of Ukrainian artillery.

In recent days, the Ukrainians have expanded the bulge further, appearing to target a gap consisting of farm fields between two villages southeast of Robotyne.

The path forward remains fraught with danger, though. Russian war planes and drones drop bombs and locate Ukrainian troops for artillery attacks. Moscow's soldiers hide behind tree lines and blind bends in zigzagging trenches.

"They are fighting very hard," said a drone operator in a Ukrainian air-reconnaissance unit operating near the Verbove front, who uses the call sign Syviy. "Every house, every trench is a full-scale fight with lots of casualties on both sides."

The drone unit to which Syviy belongs works with assault troops, helping them spot dangers ahead. Their uncrewed aircraft seek out Russian troop movements, supply convoys and stationary targets, ranging from armed bunkers to food trucks.

Any pause in Ukraine's assault could let Russia entrench itself more deeply in occupied territory, complicating future Ukrainian attempts to retake control.

Fear of cracking open Russian lines but being unable to flood a gap because of ground conditions is one factor egging on Ukrainian troops. They want to advance before bomb-scarred fields turn to mud or snowfields.

"Rain will make work very difficult. Mud will limit maneuverability," said Oleksandr Solonko, another member of the drone unit. "Logistic routes are already limited, and then there will be even fewer options. Opportunities for armored vehicles will be narrowed."

The most treacherous conditions will come in November and early December—part of a period Russians call *rasputitsa*, the time when the roads dissolve. After that, mud will harden and movement will become easier. Frozen ground favors heavy weaponry but snow can impede both

Note: Russian-controlled area as of Sept. 16
Sources: Brady Africk, American Enterprise Institute (Russian fortifications); Institute for the Study of War and AEI's Critical Threats Project (Russian-controlled area)
Andrew Barnett/THE WALL STREET JOURNAL

movement and evasion because soldiers and equipment are easier to spot visually or because of heat signatures.

These days, drones are helping Ukrainian ground forces pick their way forward and, by spotting Russian artillery, helping to chip away at its ability to hit Kyiv's advancing soldiers.

Ukrainian troops are among the first to integrate drones directly into their front-line operations, providing real-time intelligence about the immediate surroundings.

To Ukrainian troops' dismay, Russian troops have also learned quickly how to integrate drones into battlefield operations. That shift is one reason Kyiv's counteroffensive this summer has advanced so slowly, officials said.

The territory Ukraine has been reclaiming is so heavily mined that troops must send engineers out on foot to check ground ahead, impeding planning beyond the next defenses they face, said the Royal United Services Institute, a British think tank, in a recent report. Russians monitor the few routes through minefields.

Most movement takes place under cover of darkness when it is harder for drones to see. During the day, drone reconnaissance missions are often cut short by Russian electronic-warfare systems, Solonko said. With the front line constantly shifting, drones are occasionally brought down by Ukraine's own electronic-warfare systems.

The effects of heavy fall rain and winter snow on new drone routines remain an open question. Both sides are familiar with less-sophisticated fighting.

"Perhaps the emphasis will shift and some tactics will change," but fighting will continue, Solonko said. "After all, both we and the occupiers have experience of fighting in such conditions."

*—Ievgeniia Sivorka contributed to this article.*

## WORLD WATCH

ITALY

### Neanderthal Genes Tie to Covid Risk

A new study carried out in Bergamo, the northern Italian city that suffered one of the world's highest Covid-19 death rates, suggests genes inherited from Neanderthals, extinct cousins of modern humans, could help explain why some people developed life-threatening forms of the disease while others didn't.

The high number of infections in Bergamo provided scientists with data for the study, though the research doesn't address why so many people died there compared with other parts of Italy or Europe.

Scientists at the Mario Negri Institute for Pharmacological Research in Milan spent the past few years analyzing possible links between DNA variations and Covid-19. Their study, published in the journal iScience and based on a sample of nearly 10,000 people in the Bergamo area, identified several genes associated with the development of severe respiratory illness. Three of those genes belonged to a group of DNA variations inherited from Neanderthals.

The Italian study found that people who carried the Neanderthal variations were twice as likely to develop severe pneumonia from a Covid infection than those who didn't, and three times as likely to be hospitalized in intensive-care units and put on ventilators.

*—Margherita Stancati*

EGYPT

### Government Critic Gets 6-Month Term

One of Egypt's best-known opposition journalists was sentenced to six months in prison on Saturday, as President Abdel Fattah Al Sisi's government moves to silence influential critics ahead of presidential elections.

The sentencing of Hisham Kassem, a 64-year-old writer and publisher and a founder of the liberal Free Current Movement, took place amid the arrests and prosecution of a number of activists or their close family and friends in recent months.

It also came after the news that the U.S., citing Cairo's human-rights record, would redirect to Taiwan $55 million of the $1.3 billion that America gives to Egypt each year.

Kassem was sentenced to three months in prison for allegedly insulting Egypt's former minister of manpower, and another three months related to charges of verbally assaulting three policemen, said Kassem's lawyer, who rejected both accusations. The authority, the Economic Misdemeanors Court in Cairo, also fined Kassem 20,000 Egyptian pounds, or about $650.

A spokesman for the Egyptian government didn't respond to requests for comment. Neither did an assistant to the justice minister.

*—Chao Deng*

KASSEM SUPPORTERS VIA REUTERS

Egyptian opposition journalist Hisham Kassem greets a supporter before being sentenced to six months in prison.

# Journalism is not a crime.

It has been nearly six months since our friend and colleague Evan Gershkovich was detained by Russia during a reporting trip and falsely accused of espionage. The Wall Street Journal and the U.S. government vehemently deny the allegation and have called for his immediate release.

As world leaders gather in New York City for the 78th session of the United Nations General Assembly, we urge all Member States to act now for freedom of expression by working with urgency and purpose to secure Evan's release.

Show your support by visiting **WSJ.com/Evan** and adding the hashtag **#IStandWithEvan** across social media. Journalism is not a crime, and we will not rest until Evan is released.

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FROM PAGE ONE

# Whatever the Strike's Outcome, Musk Wins

By Tim Higgins

More than two days into the United Auto Workers strike against the Detroit automakers, one thing is clear: Elon Musk has already won.

And the billionaire tycoon isn't even involved.

Musk won before the strike began early Friday. He won before negotiations started two months ago. From the get-go, **General Motors**, **Ford Motor** and Chrysler parent **Stellantis** were expected to spend more on wages because of the union's pressure. The question is just how much of an increase, and so far their offers haven't pleased the union, igniting this past week's work stoppage.

Whatever happens, more money surely will be spent. Any wage increase further advances **Tesla**'s already tremendous cost advantage in EVs over its older U.S. peers, which are contending with generations of legacy expenses while trying to steer a costly transition to electric from gas-powered vehicles.

In March, Musk revealed plans to build on his advantage by setting a goal of slashing manufacturing costs for the automaker's next-generation vehicles by 50%, an ambitious agenda that will depend upon advanced automation, savvy engineering and other changes.

The Tesla chief executive's actions this year have shown how Tesla can take advantage of a lower cost structure to engage in price wars with rivals around the world to juice sales.

In July, Tesla reported second-quarter profit that rose 20% even after reducing prices. Around the same time, in the midst of steep losses from its electric vehicles, Ford said it would slow its EV production growth.

DAVID ZALUBOWSKI/ASSOCIATED PRESS

**Any wage increase at the Detroit automakers will further advance Tesla's already tremendous cost advantage in EVs.**

All this is playing out as the UAW seeks more than what the Detroit automakers say they can afford and remain competitive.

The Detroit companies' labor costs, including wages and benefits, are estimated at an average of $66 an hour, according to industry data. That compares with $45 at Tesla, which isn't unionized and was founded 20 years ago.

A key difference between Tesla's compensation plan and that of the UAW workers revolves around company upside. UAW workers have been getting profit-sharing bonuses while Tesla workers receive stock options, which don't have a direct cash cost to the company. Over the years, Tesla shares have risen like a rocket, though there have been periods of turbulence. Shares this year have more than doubled.

UAW President Shawn Fain argues that past contracts haven't kept up with inflation, hurting the union's roughly 146,000 auto workers' spending power, and that members' sacrifices have helped make the companies profitable in recent years. "This is our generation's defining moment," Fain said late Thursday before the walkout. "The money is there. The cause is righteous."

Shortly afterward, Ford responded, saying the union's demands would "more than double Ford's current UAW-related labor costs, which are already significantly higher than the labor costs of Tesla, Toyota and other foreign-owned automakers in the United States that utilize non-union-represented labor."

Many analysts, so far, expect the Detroit companies will ultimately absorb the added costs. "The much larger issue is that it adds incremental pressure to their already challenged transition to an EV world," Dan Levy, an analyst for Barclays, cautioned investors in a recent note

Art Wheaton, a labor expert at Cornell University, suggests that the UAW's ability to get higher wages could help put heat on Tesla during any renewed effort to organize there.

# *UAW Tossed Old Playbook*

*Continued from Page One*

workers in order to succeed, some workers and labor experts say. Unlike a traditional all-in walkout, Fain's strategy is having an uneven effect on members within an organization whose motto is solidarity.

"If you're going to take out one plant, take us all out, let us all stand together," said Brooke Jesse, who works at a Ford assembly plant in Ohio that produces commercial vehicles. "We all have to feel the pain."

## Breaking tradition

Fain started his union career in Kokomo, Ind., at Chrysler 29 years ago. He was elected by a slim margin in March, under a new system in which members directly elect their leaders instead of the traditional style of local officials doing the voting. Fain campaigned on a hard break from the past, following a multiyear corruption scandal that resulted in the convictions of more than a dozen UAW officials, including prison time for two former union presidents.

There also was a perception that union leaders were too cozy with automaker executives, after federal prosecutors accused Fiat Chrysler Automobiles, since absorbed into Stellantis, of steering worker-training money to UAW officials. The automaker's U.S. division in 2021 pleaded guilty to a criminal charge of conspiring to violate U.S. labor law.

Shortly after winning the UAW's top office, Fain shook up his team, losing some of the union's longtime staffers and bringing on new recruits with records of success in labor organizing outside the auto union.

The president's core advisers included a cohort of experienced UAW members who were keen to work with the new administration, including people in research and organizing who were knowledgeable about the union's history and had relationships with its locals.

There were also newcomers, especially in the communications, legal and political strategy departments. Members of this team largely had roots in the Service Employees International Union, a big healthcare union, as well as Labor Notes, an online publication that describes itself as a voice for union activists.

"I have my own ideas, but I thought it was important to bring in people that weren't ingrained in the system," Fain told The Wall Street Journal in an August interview from the union's headquarters, known to members as Solidarity House.

Among those who became his closest advisers are Chris Brooks, an organizer and reporter who formerly wrote for Labor Notes and was a field director at the NewsGuild of New York. The NewsGuild earlier this year secured a pay increase of at least 10.6% for New York Times employees after a 24-hour walkout in December.

Benjamin Dictor, a partner at law firm Eisner Dictor & Lamadrid, also joined Fain's inner circle. His firm worked with the International Brotherhood of Teamsters during its talks with the United Parcel Service, in which the union secured a new labor contract this year.

SYLVIA JARRUS FOR THE WALL STREET JOURNAL (3)

**UAW members and supporters on Friday in Michigan. The union is using a new strategy of targeted strikes at three automakers.**

The new staffers brought a different perspective and pushed for UAW—a historically guarded and insular organization—to be more transparent and active on social media.

Since taking office, Fain has unleashed a torrent of social-media posts and regular livestreams. He stunned the car companies by talking openly about their bargaining offers, thrusting discussions that would normally be held behind closed doors into the public eye. Fain at one point made a show of tossing one of the company's proposals in the trash during a video address to members.

The new union leader has also taken a far more combative tone with the car companies, stoking speculation in Detroit earlier this summer that he might try an all-out strike at all three automakers.

Sitting in the third-floor conference room at a table covered with binders and coffee cups at their Detroit headquarters this summer, Fain and his advisers batted around a number of ideas for how they would stage a walkout.

Full strikes at all three were considered, said people with knowledge of the discussions.

Some on the leadership team, including at times Fain himself, appreciated how that approach would make a strong statement to the companies by bringing members out en masse.

Others had reservations, saying talks would likely stall in a full production shutdown, and worried the union would lose some of its leverage by going for the most aggressive plan first. There was also a simple financial calculation to consider: Such an option would rapidly drain the UAW's $825 million fund that it uses to pay striking workers, likely depleting it within about two months.

While that all-in option was never officially eliminated—Fain even acknowledged publicly part of him itched to take that approach—his team moved on to other ideas.

There was UAW precedent for a more-limited, strategic strike of certain factories. Striking key parts factories that serve multiple assembly plants, such as engine or transmission operations, a so-called bottleneck strike, can quickly force closures.

In 1998, a strike at plants in Flint, Mich., led to domino-effect closures of other GM factories that depended on their parts. The 54-day action cost the automaker about $2 billion.

Some on Fain's team worried that the bottleneck approach, while putting fewer members on strike, would also be too swift and severe, capable of taking down most of an automaker's operation within days.

This would result in more members becoming unemployed even though they weren't among the striking group, fallout that the union wanted to avoid.

The group instead zeroed in on a tactic to strike individual assembly plants of each company.

A progressive, cascading strike would allow for a longer runway to keep more UAW workers on the job, preserving the strike fund. And the uncertainty it would sow inside the automakers' operations would give UAW's negotiators leverage to exert bargaining pressure, the union leaders decided.

The three plants now idled in the strike emerged as sweet spots. UAW officials wanted to spread the pain evenly across the three companies, people with knowledge of the plans said. Each of the three factories makes midsize pickup trucks, for example: the Ford Ranger, Stellantis's Jeep Gladiator and GM's Chevrolet Colorado and GMC Canyon.

"In part, these plants were chosen to balance the impact across the automakers," said Brandon Campbell, an executive board member at the UAW.

**UAW Chief Shawn Fain spoke to union members in Detroit on Friday.**

The union's message with the initial targets was to show companies it wanted to continue bargaining and reach a deal swiftly, not hit companies with the maximum pressure right after the contracts expired, according to people familiar with the matter.

At the same time, these factories don't produce the companies' biggest moneymakers—large pickup trucks and SUVs such as Ford's F-150 or GM's Cadillac Escalade—leaving the union with those chips to play.

## Targeted approach

Over the summer, Fain surprised many by revealing that, in this round of talks, the UAW would break from decades of tradition by not picking one of the three automakers as its main bargaining target. He instead chose to negotiate with all three at the same time.

Historically, the union has targeted one automaker to reach a deal with first and then used it as a template for the other two. The first company is referred to as the "strike target" because if a deal can't be reached, the union strikes it first.

The automakers and union exchanged proposals in late August and into September that included fluctuating offers around wage increases, cost-of-living adjustments and time off. The companies have offered around 20% increases over four years, plus lump-sum payments of more than $16,000 in signing bonuses and inflation-protection payments. The union in recent weeks had come off its initial 40% wage-increase proposal into the mid-30% range.

It became clear the gulf between the two sides was still significant, and just after midnight Friday about 12,700 workers went on strike. The plants affected—kept secret until just a couple of hours before the action—are a GM plant near St. Louis, Stellantis in Toledo and Ford near Detroit.

The union's more targeted approach of walkouts at key plants makes it difficult for the companies to devise contingency plans and helps stretch out the confusion for a longer period of time, labor experts and organizers say.

These surprise-tactic strikes have gained momentum with other unions, as some UAW staffers were aware. About two decades ago, the Association of Flight Attendants created its own strategy, which it called Create Havoc Around Our System, or CHAOS, and used it during negotiations with Alaska Airlines.

Over a period of several months, 24 flight attendants walked out on just seven flights without warning, causing sudden staffing complications and disruptions for the airline. Ultimately, the tactic won the union a new contract with top industry pay in return for greater productivity.

Fain's strategy will require a higher level of execution than a more-routine strike, said Thomas Kohler, a law professor at Boston College Law School. There is a risk workers who remain on the job might slow down production, which could undermine the strike strategy and lead to possible action from the companies.

"You're not only negotiating with the companies, you're negotiating with your own people," Kohler said.

The action at the three plants was more muted than some expected the union to take, though it still has led to layoffs and crimped production at other facilities over the weekend.

Company executives were quick to publicly vent their frustrations with the move.

"We don't need to be on strike right now," GM Chief Executive Mary Barra said on Friday. Ahead of the strike last week, Ford Chief Executive Jim Farley said: "We should be working creatively to solve hard problems rather than planning strikes and PR events."

The White House also got involved. President Biden said he plans to dispatch senior adviser Gene Sperling and acting Labor Secretary Julie Su to Detroit and urged the two sides to reach an agreement.

The strike so far has largely generated enthusiasm among the rank and file. "This was really nice because it kept everybody calm," said Ford Michigan Assembly worker Samantha Hart of Fain's targeted approach, as she walked the picket line early Friday. Hart's brother-in-law also walked out at the Stellantis plant in Toledo.

GM said Friday it will likely soon idle operations at its Chevrolet Malibu factory in Kansas City, Kan., because it would run short of parts that are shipped from the St. Louis-area plant that is shut down for the strike. Roughly 2,000 workers would be laid off if the plant is idled.

One of them is Rob Pacheco, who works the assembly line at the Malibu plant. He said it is unclear when or whether he will receive strike pay, because he isn't on strike. A UAW official said such situations will be decided case-by-case and that workers will be supported, whether through state unemployment or union funds.

Pacheco said his income uncertainty is worth the broader fight for a better deal. "I don't mind not being paid," he said. "We all knew what we were getting into."

*—Sean McLain contributed to this article.*

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THE WALL STREET JOURNAL.

# Stop Obsessing About Having the Perfect Career Plan

The paths that used to shape our careers are eroding fast—maybe it's time to rethink our work lives

WORK & LIFE
RACHEL FEINTZEIG

FROM TOP: PHOTO ILLUSTRATION BY ELENA SCOTT/THE WALL STREET JOURNAL, ISTOCK (3); MARINA VALDES

Get the degree, get the job offer, get that first promotion. Then what?

The set paths that used to shape so many careers are eroding fast these days. Instead of handing out fancy new titles at every performance review, companies like Meta are cutting layers of middle managers. Law firms are testing watered-down partnership models.

A Washington, D.C., area lawyer I talked to said that even partners at his firm were gripped by uncertainty about keeping pace on the corporate treadmill. A police officer in Tennessee told me his career path felt more like a narrowing tunnel. Positions above him never seemed to open up, and the raises he'd expected felt just out of grasp.

No matter the profession, the promise of a system propelling you steadily forward is now often a facade. Companies are changing strategy on a dime—from hiring at breakneck speed, to cutting jobs just as fast. Technology like artificial intelligence is reshaping the value of white-collar work.

"The idea that all of us could continually step up the career ladder was a false promise," says Helen Tupper, chief executive of a global career development and training firm.

Instead, Tupper suggests asking yourself: What is it I want to be known for?

The answer may be a brilliant presenter, or a decisive leader. Exactly where is less important, she says. Look for not just new roles, but projects that expose you to new people, like sitting on a committee or helping out an international office. Preserve your earning power by negotiating a raise with a lateral move, or ask for money to use toward education. Think of this moment as an opportunity to have more choice in the work you do, rather than following a trail someone else carved out.

And level with yourself. Trying to embody some perfect LinkedIn profile, with a cascade of titles in stair-step order, may just be a fantasy. Hitching yourself to one path leaves you vulnerable when things change.

"Not every move you make has to be absolutely perfect," says Tupper, co-author of the book "The Squiggly Career."

## Certainty meets reality

Alex Robb spent years checking the boxes to becoming a vet: getting into a prestigious college, doing surgical research in veterinary school, matching into postgraduate training.

The work was grueling, but "I had this sort of comfort and certainty around everything," he says.

He landed at an animal hospital in Denver and settled in. Dreaming of running the whole organization one day, he got his M.B.A. on the side. Then an acquisition and restructuring hit the hospital, eliminating the department head position he'd been interviewing for.

"What am I going to do now?" he says he thought.

He left, and spent a year testing out different work settings as a contract veterinarian. The exploration led him to a job he loves: co-founding a group of animal hospitals and running his own location, which he opened in 2021.

▲ **Alex Robb climbed a steady path in his veterinary career before hitting a roadblock.**

Looking back, he wonders if there were some downsides to hewing so closely to a set path. Could he have been more well-rounded or creative if he hadn't been so laser-focused?

## The new tech era

Many people in Western societies mistakenly believe we have more control over the world than we actually do, says Adam Alter, a professor of marketing at New York University who's studied how blindsided we are by change. Fueled by our belief in science and medicine, we subscribe to the idea that "things just get better if you are virtuous and do the right thing and follow the right path and listen to your parents."

The problem is that technology has turbocharged the pace of everything, he says. The rules of success—study this, pitch the boss that—used to last generations. Now they might last five minutes.

He recommends taking an audit of your work and life every couple months. Ask yourself how much things have shifted since you last checked in. Are there changes afoot? How can you prepare?

"You're not more powerful than the world around you," Jarrod Farmer says he learned after being laid off from Meta last November.

He'd spent more than seven years in big tech, and planned to never leave. The experience prompted him to transition to a public-sector job, which he hopes is more stable.

As firms invest in AI, their hierarchies flatten, according to a recent National Bureau of Economic Research working paper. They bring on young, educated folks with fresh tech skills, increasing junior roles by 10%.

Meanwhile, the technology helps workers at all levels make decisions and seamlessly gather data, leaving less of a need for middle managers, says Tania Babina, an assistant professor at Columbia Business School and one of the authors of the paper.

## The questions we all ask

Riley Sheehey, an education major with an artistic bent, remembers being terribly jealous of her girlfriends the summer after college graduation. They'd parlayed internships into jobs in big cities or were gearing up for grad school. Meanwhile, she was working at her same old summer camp and trying to figure out what to do with her life.

Twelve years later, Sheehey is a successful watercolor artist with her own line of fabric and wallpaper, and has watched those same friends question their paths. She's glad she faced the reckoning early.

At some point, she says, you're going to ask yourself: "Even though this is laid out for me, is this what I want to be?"

# Minimal, Luxe Looks Are Back in Fashion

OFF BRAND
RORY SATRAN

FROM LEFT: 3.1 PHILLIP LIM; GO RUNWAY; MONICA FEUDI; HANNAH TVEITE

For a while there, it felt like every week designers were exposing a new body part. In the past few years, I've written about sheer pants, navel cutouts, maternity crop tops, the "naked dress," bra tops and other revealing trends I'd love to forget. Postpandemic, nudity became my beat.

We can all exhale (literally and metaphorically) as the footloose and fancy-free party days appear to have given way to a more thoughtful and adult way of dressing. The spring 2024 collections shown in New York this past week indicate that we're headed toward an era of covering up, but not prudishness. The styles coming to the fore are minimal. They're luxe. Nearly every brand I saw offered a cream blazer, a black trouser, a minimalist red column dress, a cashmere knit tied around the shoulders. (It's no accident that that's a perfect shopping list.)

Linda Fargo, Bergdorf Goodman's senior vice president of the fashion office and director of women's fashion and store presentation, said that barely-there fashion had become "almost a nonissue, it was so commonplace." But after a few seasons of that abandon, she said, "a new need for discretion and clothes which were simply 'good clothes' started to feel more real. More now. Reasonable, practical dressing began to overtake fashion high-jinks."

This wave of considered sophistication is hitting brands both small—Attersee, Kallmeyer, Marina Moscone—and major, like Michael Kors (recently under the Tapestry umbrella in a multibillion-dollar deal).

### 3.1 Phillip Lim

After a four-year break from the runway, 3.1 Phillip Lim returned with a collection called "A New York Uniform," shown convincingly on women spanning a range of ages. Rather than featuring one token over-50 model, the show made gray hair the norm with its refreshingly inclusive cast.

Lim said, "This brand has always been deep-rooted in reality, but we romance it." He continued, "I've always been obsessed with dressing everyday people and elevating that reality." He wants women to find things in this collection they can wear to brunch, or to work, or out in the evening. They absolutely will: The range of wearable separates from cropped, swingy jackets, sheer-but-not-too-sheer black dresses and French-blue poplin tops will sell, especially at Lim's famously accessible price point.

### Fforme

For a quiet-looking label, Fforme is generating a massive amount of noise. The refined, knitwear-heavy

**From left to right, 3.1 Phillip Lim returned to New York Fashion Week, Fforme, Proenza Schouler and Khaite.**

line is designed by creative director Paul Helbers, an alum of the Row, Maison Margiela and Louis Vuitton. Helbers, as deliberate as his clothes, said that Fforme was about "care of design, of materials, craftsmanship, the design process, and creating something that has a sense of utility."

The label, launched in New York in 2022, showed a suite of sculptural pieces in neutrals and pinks for its first runway show. While some debated whether such low-key clothes needed a proper show (rather than a more casual presentation), Helbers said that the clothing came alive in person.

Helbers chafes at labels like "quiet luxury," saying his clothes aren't chasing trends. "We're not really interested in themes or in the changes of mood of what people want to buy," he said. "I think it's more a sort of approach of wanting quality and buying less and wanting to spend your money on good things that create a wardrobe."

### Proenza Schouler

With its current black-and-white advertisements featuring Chloë Sevigny, Proenza Schouler's Jack McCollough and Lazaro Hernandez are signifying a back-to-basics approach.

At times in the past, McCollough and Hernandez have been a bit myopic in their obsession with textile experimentation. But in their forties, as the pretty much uncontested kings of New York cool, they are doubling down on the clothes that their muses like artist Olympia Scarry and entrepreneur Lauren Santo Domingo wear day in and day out. So the spring collection was filled with perfect pants, cream and black tailoring, efficient-looking hands-free waist-bags and simple dresses.

### Khaite

New York brand Khaite owes a debt to European designers. Last season veered into Phoebe Philo for (old) Céline territory, with its furry fabrics and accessories. For spring, some were whispering "Saint Laurent" as the dark, misty lighting revealed models in sexy slip dresses layered with slouchy leather jackets.

But creative director Catherine Holstein's skill lies in distilling those references into essential-feeling (yet pricey) pieces—dresses, coats, coveted boots—that fly off the shelves. Despite its slightly pretentious veneer, this is a brand churning out just-fashion-enough clothes, like a leather-trimmed black overcoat and an ultrasimple red tank dress.

YOUR HEALTH
SUMATHI REDDY

# Seeing Medical Test Results Before Your Doctor Sparks Fear

Raw electronic health records, sent straight to your inbox, can cause confusion or panic at times

▲ The push to release information was intended to make sure that patients had easy, immediate access to their health records.

This wasn't the way Laurette Bennhold-Samaan wanted to learn she had breast cancer: alone and logging onto her medical portal to see the words "invasive ductal carcinoma."

Stunned, the 62-year-old from Arlington, Va., called her doctor. "I'm sorry you're giving me the information I should be giving you," she recalls her doctor saying.

People are now often getting medical information from portals and electronic health records directly, without it first being filtered by their doctor. The information includes CT scans, biopsies and several other types of potentially life-altering results. It's coming to them directly because of a provision in legislation mandating that patients receive health information without delay.

Doctors say the law's intent is good but that in practice, raw test results can spark confusion at best and panic at worst. Sometimes, patients misinterpret harmless information. Other times, people receive bad news without an explanation that could cushion the blow.

"There is tremendous potential for harm with the release of some types of tests to patients without providing some type of clinical context," says Dr. David Gerber, a Dallas-based oncologist.

Gerber said he's had patients learn about a cancer diagnosis from a smartphone notification in the middle of a business dinner, while reading a bedtime story to a 3-year-old, and during a rush-hour commute. One patient's spouse went to the emergency room for an anxiety attack after misinterpreting her husband's CT scan.

Earlier this year, Gerber testified before Texas legislative committees on behalf of the Texas Medical Association in support of a bill that would give healthcare providers 72 hours to contact patients before test results related to cancer or genetic diseases are released to them. The bill wasn't signed into law but is expected to be revisited during a special session. Similar legislation is in place in Kentucky and California.

▲ Laurette Bennhold-Samaan learned of her cancer when she logged onto her medical portal.

## Why it's happening

The push to release information goes back to a broad law called the 21st Century Cures Act, which streamlined drug development and designated money for medical research, among other things. It included a provision that went into effect in 2021 that requires that patients receive health information without delay. The aim was to make sure that patients had easy, immediate access to their health records.

This month, the federal government started enforcement of that requirement, with penalties of up to $1 million for technology developers and networks found to be in violation. Other penalties are being developed for doctors and hospitals who violate the law.

While doctor groups are generally supportive of the law's intent, they say it has led to unnecessary patient anxiety.

"Sometimes the pathology or radiology result can look worse than it is," says Dr. Jack Resneck, chair of the department of dermatology at the University of California, San Francisco, and a former president of the American Medical Association. "A physician can read between the lines and put it all in context."

In theory, patients should be able to opt out of receiving such information, but Resneck says some electronic health-record vendors don't have the technology or capacity yet to enable them to do so. "The rules kind of got ahead of the technology," he says.

When doctors look at lab results, like complete blood counts, they're looking at many different things, says Dr. Sterling Ransone, a family physician in Virginia and board chair of the American Academy of Family Physicians. One marker being off doesn't necessarily mean something is amiss.

Ransone says he recently had a patient who tested positive for basal cell carcinoma. Though it's a diagnosis of cancer, it's a type of skin cancer that grows locally and can be treated surgically.

"They basically saw cancer and absolutely freaked out not knowing that it was a very easily treatable cancer that's not going to need chemotherapy or radiation," he says.

Studies about whether patients actually want to see medical information before their doctors call them have yielded mixed results. A March 2023 study in the medical journal JAMA Network Open found that 95% of more than 8,000 people surveyed preferred receiving their test results online immediately, even if their healthcare practitioner hadn't reviewed them yet.

However, nearly 43% of 1,000 people in an AMA survey last year said they want their physician to review test results before they show up in a portal. Among those who didn't want a physician to review results first, 54% said if the results were about a debilitating or terminal illness they would want a doctor to review and contact them first.

## What you can do

Before you have tests done, ask your doctors what they're looking for and if there are any markers you should pay attention to.

If you're prone to anxiety, especially over health issues, consider waiting to look at your results until you can reach your doctor's office. If you do look at them, don't panic or go down a Google rabbit hole. Labs that are out of range may actually be OK.

"A lot of times something might look ominous on a report, but it may not be ominous, or it may be something that's been consistent for a long time," says Christopher Scuderi, a family physician in Jacksonville, Fla.

Cynthia Lenert, a 69-year-old in Pottsboro, Texas, has lung cancer and gets regular CT scans of her lungs to monitor progress. She got a scan on a Friday in June and was surprised later that day to see that the results were already in her health portal.

"I did not look at it," she says. "I didn't want to put more anxiety on myself because I knew I'm not going to know what I'm looking at and all these medical terms."

She already had an appointment to see her doctor, Gerber, on Monday. She learned the scan results were good. "They should let the doctor see the results first before the patient gets them," she says.

FROM TOP: ISTOCK; LAURETTE BENNHOLD-SAMAAN

# New Student Plan Likely to Lower Loan Repayments

BY JULIA CARPENTER AND GABRIEL T. RUBIN

Millions of borrowers are signing up for a new program that can halve their monthly student-loan repayments and put some on a path to loan forgiveness.

The Saving on a Valuable Education plan, or SAVE, is a new income-driven repayment plan. Those enrolled in SAVE get their monthly loan payments calibrated according to a formula that takes into account family size and discretionary income.

More than four million student-loan borrowers have so far enrolled in the Biden administration plan. Whether millions more sign up will determine the success of the administration's goals: cut the nearly $1.6 trillion of outstanding federal student-loan debt and make debt payments more affordable for low- and middle-income students.

Not all of the SAVE features will be available until next July, but the plan has the potential to be less expensive than prior income-driven, or IDR, plans. The Biden administration estimates that up to 20 million borrowers could benefit from SAVE.

Still, some are skeptical of SAVE's benefits, in part because many prior IDR plans have led to some borrowers paying more in interest and for longer. The Biden administration recently forgave $39 billion in debt held by more than 800,000 borrowers who "fell through the cracks of a broken system that failed to keep accurate track of their progress," said Education Secretary Miguel Cardona.

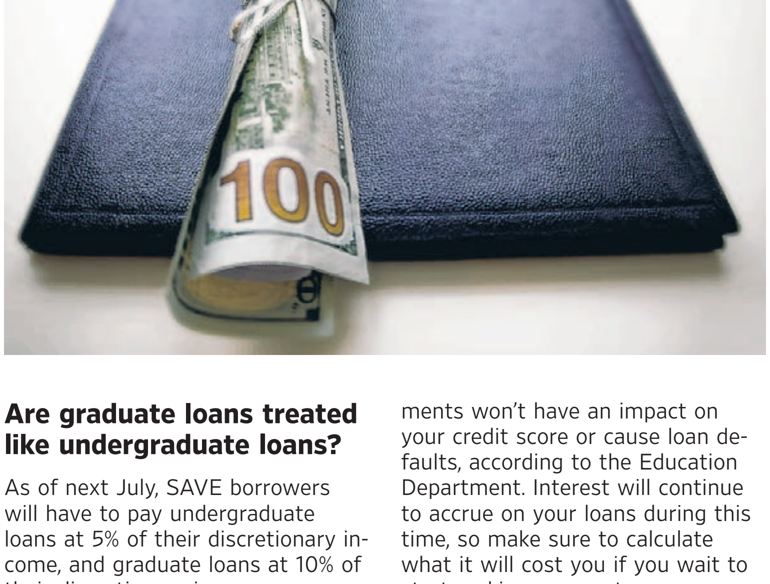
### How much will I have to pay monthly in SAVE?

Like past IDR plans, SAVE requires borrowers to pay a portion of their discretionary income. Yet, SAVE calculates discretionary income above 225% of the federal poverty level, whereas previous regulations limited it to 150%. SAVE thus protects more income from repayment.

For example, if a family of two earns an annual income of $75,000, their discretionary income would be $45,420 under prior IDR plans and $30,630 under SAVE. Less money counted as discretionary income translates into smaller monthly payments for borrowers. With SAVE, individuals making $32,800 or less a year—or roughly $15 an hour—and families of four making $67,500 or less annually would pay $0 in minimum monthly payments.

Borrowers earning more can also take advantage of the plan, which sets no qualifying income limit. The higher-earning borrowers who apply might have their monthly payments reduced by as much as 5%, according to the Education Department.

"This plan is targeted to help the lowest-income borrowers and undergrad borrowers, but it also benefits others," said Heather Jarvis, a lawyer who educates people on student loans.



### Are graduate loans treated like undergraduate loans?

As of next July, SAVE borrowers will have to pay undergraduate loans at 5% of their discretionary income, and graduate loans at 10% of their discretionary income.

Those with both undergraduate and graduate-student loans will pay a weighted average between 5% and 10% of their discretionary income.

Additionally, graduate and professional loans are paid off on a longer timeline—25 years, instead of a standard 20 years for undergraduate loans.

### What happens if I miss a payment?

In the past, borrowers who missed a payment for more than 90 days were considered delinquent.

Earlier this year, the Biden administration announced a 12-month on-ramp period to ease borrowers back into repayment as of October 2023. During this time, missed payments won't have an impact on your credit score or cause loan defaults, according to the Education Department. Interest will continue to accrue on your loans during this time, so make sure to calculate what it will cost you if you wait to start making payments.

Applying for an IDR plan such as SAVE is often a better long-term solution than taking advantage of the on-ramp, said Meagan McGuire, a consultant at Student Loan Planner, a financial-advisory firm.

"If you're going towards loan forgiveness, the on-ramp does not make sense because it's not going to be counting towards that forgiveness threshold," McGuire said.

### Does interest continue to accrue in SAVE?

Those enrolled in SAVE who make monthly payments on time will see another benefit: Their loan balances won't grow due to unpaid interest.

As of July 2024, if a student-loan borrower pays their required monthly amount but that doesn't fully cover the interest that accrues, the borrower won't be charged any more interest than what their payment covers.

For example, if a monthly payment is $50, and after you make your payment the interest left unpaid is $10, that $10 in interest isn't added to a borrower's remaining balance.

### What if I have less than $20,000 in debt?

Starting July 2024, SAVE will speed up the path to forgiveness for borrowers with loan balances of $12,000 or less, so long as they continue making regular payments on time. After 10 years, their remaining debt balances will then be wiped out.

If the student-debt balance exceeds $12,000, the maximum repayment before forgiveness will increase by a year for every $1,000 borrowed. For example, someone with a balance of $15,000 will be forgiven the rest of the remaining debt after making consistent, on-time payments for 13 years. Three years of payment are added for the extra $3,000 on the balance.

The maximum number of years in repayment is still capped at 20 or 25 years depending on whether the loans were for undergraduate or graduate study.

### How do I enroll in SAVE?

If you were enrolled in REPAYE, a previous IDR plan, you will be automatically rolled over to the SAVE plan.

Otherwise, visit studentaid.gov to enroll or sign up for a webinar offered by the Education Department.

Loans made to parents, including direct PLUS loans, are ineligible.

CATHERINE MCQUEEN/GETTY IMAGES

# ARTS IN REVIEW

ART REVIEW

## The South's Trajectory, Traced on Film

By William Meyers

*Atlanta*

This is a grand show. "A Long Arc: Photography and the American South Since 1845," at the High Museum of Art through Jan. 14, 2024, makes the case for the South as simultaneously a unique and a paradigmatic section of the U.S. The ambitious exhibition was organized by Gregory J. Harris, the High's curator of photography, and Sarah Kennel, who has the same position at the Virginia Museum of Fine Arts in Richmond. The High, one of the first museums to collect photography, specializes in pictures of the South and, in addition to collecting, it has commissioned 16 photographers to do projects in the South. It had much to draw on. "Unidentified Photographer" gets credited for roughly 20 of the 181 pictures in the show, but many are by very famous photographers and include some of their best-known works. The exhibition will later travel to the Addison Gallery of American Art, in Andover, Mass., and the Virginia Museum of Fine Arts.

"A Long Arc" is organized chronologically, so it begins with the antebellum South, but the first picture on the wall and the first picture in a vitrine are of black people who are not slaves, Julian Vannerson's "Gilbert Hunt, Freed Richmond Slave" (1859-1860) and William Abbott Pratt's "Freemen of Color, Richmond, Virginia" (c. 1850). The curators want us to understand how complex the social system was, but soon enough we come to McPherson & Oliver's horrific "Peter" (c. 1863); the runaway slave shows his back crisscrossed with scars from a whipping. "Slave Pens, Alexandria, VA" (1862) from the Mathew B. Brady Studio is one of several pictures of slavery's infrastructure.

And then comes the Civil War: four views of the "2nd Regiment, United States Colored Light Artillery, Battery A" (c. 1864) by an unidentified photographer; John Reekie's "A Burial Party, Cold Harbor, Virginia" (1865) with its grim skeletons; and George N. Barnard's "Ruins in Charleston, S.C." (1865-66), with two men looking over the rubble. "A Long Arc" illustrates the way photographs like "Peter" were used to bolster Northern support for the war, and pictures from the battlefield let people visualize the awfulness of what had happened.

The exhibition wends its way through Reconstruction and the New South. In this period, 1865-1930, stereographs were a popular form of photography; a vitrine displays seven of these cards that when put in a viewer create the illusion of depth. They show the industrialization of the region, "Steel Furnace in Alabama's Great Iron Center, Birmingham, Ala." (undated), and idealized scenes of agriculture, "Tobacco Field in Kentucky" (undated), both by an unidentified photographer. Next to the vitrine is an electric device that lets you see in 3-D—as they should be seen—B.W. Kilburn's "Views of the 1895 Cotton States and International Exposition," the South's effort at self-promotion, and where Booker T. Washington delivered the "Atlanta Compromise" speech that made him famous.

The section that includes the Great Depression is an honor roll of the period's most talented photographers: Lewis Hine, Prentice Herman Polk, Doris Ulmann, Walker Evans, Peter Sekaer, John Gutmann, Irving Penn, Arthur Rothstein, Dorothea Lange, Mike Disfarmer, Frances Benjamin Johnston. It is interesting to have their images juxtaposed and put in context with lesser-known works. It also becomes increasingly clear how important faces are to the story "A Long Arc" means to tell. Polk took "The Boss" (c. 1932), a self-confident woman with holes in her sweater, to demonstrate to black people the dignity they were capable of. The five "Displaced Tenant Farmers, Goodlett, Hardeman County, Texas" (1938) in Lange's picture have worry etched on their faces. Evans's "Allie Mae Burroughs, Hale County, Alabama" (1936), determinedly inscrutable, is a defining image of the Depression.

Charles Moore's "Martin Luther King Jr. Arrested, Montgomery, Alabama" (1958), with the police twisting his arm behind his back, is one of the pictures from the civil-rights era. And the faces, black and white, looking out the windows of Robert Frank's "Trolley, New Orleans" (1955) are a graphic representation of segregation. "Mrs. Martin Luther King Jr. on Her Front Lawn, Atlanta, Ga." (1968) is an uncharacteristically tender portrait by Diane Arbus. Paul Kwilecki spent his life documenting Georgia's Decatur County; the young African-American in his "Girl, Battle's Quarters" (1971) sits on the rear bumper of a car and glares at the photographer from under her defiantly frizzled hair.

The last picture in the show, after much further turmoil and occasional tranquility, is Irina Rozovsky's "Untitled, Georgia" (2018); unlike the daguerreotypes and sepia-toned prints in the earliest sections, this large-format pigmented inkjet print is decidedly contemporary. Most of the picture is of a flooded woodland area, and to the right is a cement sidewalk that is quickly submerged. A young girl, with blond hair and wearing a skirt, stands on the sidewalk staring ahead at the brown waters, as if trying to figure out what to do next. The long arc will continue; what will its essential photographs be like and who will take them?

**A Long Arc: Photography and the American South Since 1845**
High Museum of Art, through Jan. 14, 2024

*Mr. Meyers writes on photography for the Journal. See his photographs at williammeyersphotography.com.*

▲ '2nd Regiment, United States Colored Light Artillery, Battery A: Ram' (c. 1864), by an unidentified photographer

▲ 'Martin Luther King Jr. Arrested, Montgomery, Alabama' (1958), by Charles Moore

◀ 'Whittier Preparatory School, Phoebus, Va.' (1907), by James Van Der Zee

HIGH MUSEUM OF ART (3)

THEATER REVIEW | CHARLES ISHERWOOD

## 'Swing State': Land and Lives in Limbo

By Charles Isherwood

*New York*

Ecosystems can be fragile things, and there are two under threat in "Swing State," Rebecca Gilman's powerfully affecting drama about love and loyalty, and loss and betrayal, too. That's a mighty constellation of themes to pack into a play that runs less than two hours, but here they are deftly nestled into a small-scale but large-spirited drama directed with wonderful sensitivity by the estimable Robert Falls, until last year the longtime artistic director of the Goodman Theatre in Chicago, where the play was first produced.

The natural ecosystem in peril is the prairie surrounding the cozy home of Peg (Mary Beth Fisher), whose husband, Jim, died a year before the events of the play take place. Both Peg and particularly Jim—who was a wildlife biologist with the Department of Natural Resources for 30 years—were dedicated guardians of their land, almost obsessive in their desire to keep this patch in as pure a state as possible. That was not an easy task given that it is boxed in on all sides by cultivated farms—meaning it was under siege by invasive grasses and pesticides leaking from those plots. Year by year they watched both plant and animal species recede.

But there is a human ecosystem at risk of equal devastation. Peg is still deeply mourning the loss of Jim—when we first see her she is making zucchini bread but also apparently contemplating suicide. She and Jim were almost surrogate parents to Ryan (Bubba Weiler), a neighbor whom they took under their wing when he was just 6 years old; Ryan came from a difficult home environment, and they watched out for him, and inculcated in him a love for the land they loved, even after a bar fight resulted in a three-year prison term. With Jim gone, Ryan and Peg's relationship is the primary one in both their lives, and tension arises when Ryan begins to suspect Peg's fragile emotional state. The lengths he goes to in order to forestall abandonment by the only person he deeply cares for lead to tragic consequences.

**The play follows a widow amid a swirl of personal and small-town dramas.**

The other members of the play's human ecosystem are Sheriff Kris (Kirsten Fitzgerald), who harbors a savage grudge against Ryan because she believes him to be responsible for her son's accidental overdose death, and her niece, her deputy Dani (Anne E. Thompson). It is also of note that Kris's family owns all the land surrounding Peg's, and Peg is determined that they will not get their pesticide-poisoned hands on it.

While the title suggests a charged play about, yawn, Polarization in America, in fact "Swing State," while set in Wisconsin, does not concern itself with matters of red vs. blue. It is fundamentally about the complex relationships between the characters, which Ms. Gilman unwraps with casual ease; it's a small town, so everyone knows everyone else's history, and generally has made their judgments and stuck to them. That they all seem to be reasonable people with some sympathy for what each has gone through—except perhaps the stubborn Kris—makes the play's dark climax catch-your-breath startling.

But while that unexpected turn of events may suggest a bent toward melodrama, Ms. Gilman's beautifully humane writing and the performances of the fine cast negate any such tendencies. Ms. Fisher has been seen often in New York but is better known in Chicago, and has appeared in more than 20 productions at the Goodman. We will be fortunate if we see a more subtly etched performance than hers this season.

She imbues Peg with a bone-dry wit, a clear sense of morality untinged by piousness, and a touching maternal warmth toward Ryan. And the way Ms. Fisher's face glows with entranced memory when Peg recalls how she and her husband tended the prairie habitat is positively transfixing. Throughout the play, as Peg wrestles with questions both existential and practical, Ms. Fisher elucidates the passages of her thought with impressive specificity.

As Ryan, Mr. Weiler gives a similarly nuanced performance. The jittery young man remains traumatized from his time in prison, and is prone to panic attacks. But Mr. Weiler also underscores how deeply grateful Ryan is to Peg underneath his truculent exterior, and how the sudden death of Jim has left a hole in his heart, too. In the role of Dani, Ms. Thompson, looking like a slightly awkward, overgrown girl, brings some leavening humor to the play when she proves to be an unusually sensitive "good cop," despite being new to the force. And while she has the least complex role, Ms. Fitzgerald fills out the sometimes harsh contours of Sheriff Kris forcefully.

All the characters in "Swing State" have suffered setbacks and are still scarred by them, but the play ends on a grace note, with a quiet conversation affirming the idea that for all living things, flora and fauna alike, it is best to let life run its natural course.

**Swing State**
Minetta Lane Theatre, 18 Minetta Lane, New York, $65-$85, swingstateplay.com, closes Oct. 21

*Mr. Isherwood is the Journal's theater critic.*

▲ Anne E. Thompson, Kirsten Fitzgerald and Mary Beth Fisher in Rebecca Gilman's affecting play

LIZ LAUREN

# SPORTS

By Laine Higgins

At this time last year, the Pac12 conference was down in the football dumps, with the worst team in major Division I football and seven years separating it from its last trip to the College Football Playoff. By this time next year the Pac-12 may not even exist.

But in 2023? The Pac-12 is the hottest league in college football.

In what is its final season of existence, at least in the form it has long been known, the "Conference of Champions" is living up to its name. Eight of its teams are ranked in the Associated Press Top 25—and the seven of them that were in action on Saturday all won.

The wins included No. 8 Washington smashing future Big Ten conference mate Michigan State 41-7 and No. 18 Colorado—the team that won just one game last year—continuing its Deion Sanders-led revival with a riveting 43-35 comeback win in two overtimes. No. 5 Southern California, with defending Heisman Trophy winner quarterback Caleb Williams, was idle.

The Pac-12's resurgence coincides with an unexpected slump in the mighty Southeastern Conference. Through the first two weeks of the season, SEC teams combined to go 3-6 in games against teams from the other major conferences—the Atlantic Coast, Big 12, Big Ten and Pac-12

It improved slightly in Week 3, with two wins and one loss, as Arkansas lost to Brigham Young at home. That doesn't even capture the near upset that took place in Tampa, when Alabama squeaked out a 17-3 win over South Florida, a team from the American Athletic Conference.

"Obviously we have a lot of things to fix," Alabama coach Nick Saban said after the game.

This all could augur for a topsy-turvy football season ahead without a single dominant team. The elites are off to rather suspect starts. No. 1 Georgia and No. 2 Michigan reached 3-0 despite plentiful mistakes. Third-ranked Texas didn't pull away from Wyoming on Saturday until the fourth quarter, while No. 4 Florida State almost blew a 21-point lead to Boston College. No. 6 Ohio State has been a shade of its offensively prolific self with a new quarterback and has a tough test next weekend against No. 9 Notre Dame on the road.

RON CHENOY/USA TODAY SPORTS/REUTERS

Colorado, led by head coach Deion Sanders, left, and quarterback Shedeur Sanders, remained undefeated after beating Colorado State on Saturday.

# Pac-12 Is Off to a Fast Start

## The 'Conference of Champions' is living up to its name, with eight teams ranked in the AP Top 25

Meanwhile, one of the biggest reasons behind the Pac-12's resurgence this fall is the quarterbacks populating the league. The vast majority of them, including Williams, didn't start their collegiate careers out west. It's a proof of concept for using the transfer portal to overcome lackluster high school recruiting. It's also a sign of this new era of college football where the balance of power can shift dramatically in the span of an offseason.

Of the Pac-12's six top-ranked teams, five start transfer quarterbacks. It's a reality that has become emblematic of college football in 2023, in which quarterbacks transfer more frequently than just about any other position on the field. Utah is the Pac-12's prominent exception: redshirt freshman Nate Johnson takes snaps under center while Cam Rising, a fifth-year senior who's on year five in Salt Lake City, works back from injury.

Williams won the Heisman after following coach Lincoln Riley from Oklahoma to Los Angeles. He is completing over 78% of his throws for an average of four touchdown passes per game so far this year.

Washington is starting Michael Penix Jr., a transfer from Indiana now in his second year with the Huskies. On Saturday night, he torched Michigan State with four touchdowns and 375 yards—in the first half.

Bo Nix is in his second season at Oregon after spending the first three years of his college career at Auburn. Once a wild player with high highs and low lows, Nix has found consistency in coach Dan Lanning's offense that i averaging 58 points per game through Saturday's 55-10 win over Hawaii.

Colorado has Shedeur Sanders, the son of Coach Prime who followed him from Jackson State. He set a program record with 510 passing yards in his debut and, with another 348-yard performance on Saturday, leads all quarterbacks in college football in passing yards.

The Buffaloes needed all of the heroics from all of the Sanderses on Saturday night as they struggled to fend off Colorado State. Even though the Rams racked up 176 yards in penalties, they led for all but 30 seconds of the second half.

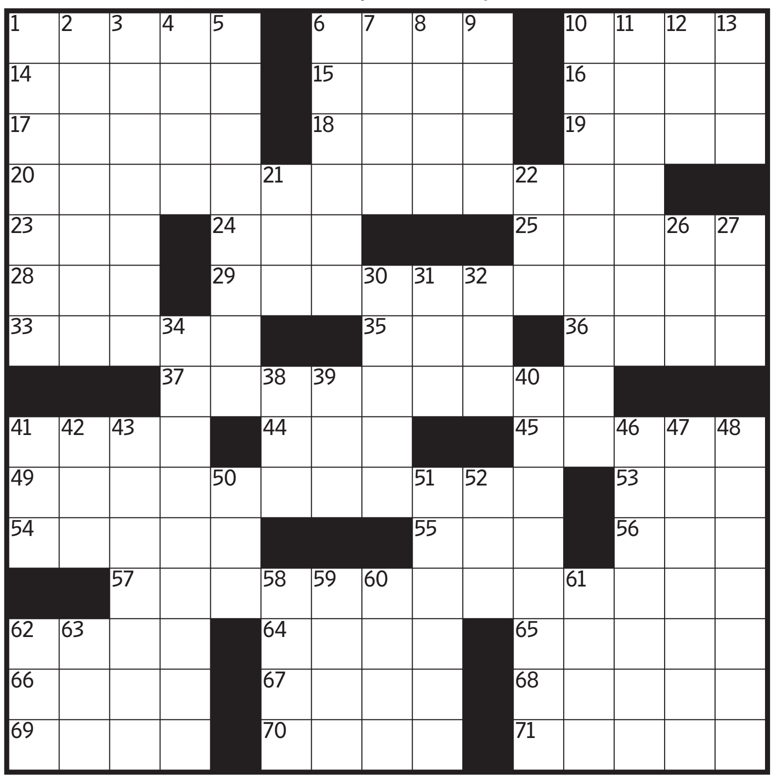
Shilo Sanders, a cornerback who also followed his father from Jackson State, opened the scoring with a pick-six. Shedeur Sanders led the 98-yard game-tying drive at the end of regulation. In the first overtime period, he took a gnarly hit that saw a Rams' defender ejected for targeting, wiped the blood from his mouth on his father's sleeve, then threw a touchdown pass.

The Buffs also have perhaps the most dynamic player in college football, fellow Jackson State transfer Travis Hunter. He's the rare cornerback-wideout hybrid who puts up mind boggling snap counts each Saturday. Hunter was on the field for 265 of 300 possible plays through the first two games.

But against Colorado State, a vicious late hit in the first quarter sidelined him. Hunter left Folsom Field in the second half for treatment at a local hospital and it is not clear whether he will be healthy for next weekend's trip to No. 13 Oregon.

"To be great you're going to have to be resilient. You gotta overcome adversity," Deion Sanders said after the game. "And we overcame."

## The WSJ Daily Crossword | Edited by Mike Shenk



### GAUGING INTEREST | By Gary Cee

**Across**

1 Father of Wednesday and Pugsley
6 Officials with whistles
10 Letters at the start of URLs
14 Dad's brother
15 Not busy
16 Org. once promoted as "In Service for the Girls of the World"
17 Honey-yellow color
18 Kumquat coat
19 Tourmaline and topaz
20 Constant worrier
23 NPR host Shapiro
24 Once ___ while
25 Insurance company owned by CVS
28 Spanish hero El ___
29 Virginia city where Navy aircraft carriers are built
33 County whose seat is Alamogordo
35 Not in the clergy
36 Bank options for later years, for short
37 "Who wants in?"...and a phonetic hint to 20-, 29-, 49- and 57-Across
41 Arnaz of "I Love Lucy"
44 Lidded vase
45 Les ___-Unis
49 Situation that's more bad than good
53 Agnus ___ (Lamb of God)
54 Carne ___ (grilled beef dish)
55 Liquor in a Negroni
56 Nation once named Zaire: Abbr.
57 Computer system modeled on the human brain
62 Relate
64 River from Pittsburgh
65 Bert's "Sesame Street" buddy
66 Length times width, for a rectangle
67 Sow's mate
68 Parking garage posting
69 Target of a wildlife attack
70 Charlotte Brontë's "Jane ___"
71 Cricket or crew

**Down**

1 Llama's kin
2 Fair way to judge something
3 Country singer Martina
4 Mountain figure: Abbr.
5 Make the focus of one's attention
6 Coarse cutting tool for carpenters
7 Where the serpent tempted Eve
8 Make a getaway
9 Broker's suggestion
10 Dental office figure
11 Woofer's counterpart in a speaker
12 TV channel that hosts a classic film festival
13 Fathers
21 French article
22 Back muscle, briefly
26 Rap group co-founded by Dr. Dre
27 Jerk
30 Factory
31 Whiskey barrel wood
32 Deli bread
34 Ballgame stopper
38 Onetime neighbor of Aust. and Bulg.
39 ___ la la
40 Comes back in
41 Some crime scene evidence
42 Wide boot sizes
43 Co-creator of Spider-Man and Black Panther
46 Extend, as a home
47 Scottie or Yorkie
48 Least healthy
50 ___ de cologne
51 Pay no attention to
52 Compete
58 Day spa garment
59 Ship-to-ship cry
60 Deceitful person
61 Rolled-up sandwich
62 Brewpub fixture
63 Miss the mark

**Previous Puzzle's Solution**

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Y | E | A | R | ■ | A | P | L | U | S | ■ | T | O | R | E |
| E | T | S | Y | ■ | D | O | U | S | E | ■ | O | V | A | L |
| A | N | T | E | ■ | J | E | S | S | E | O | W | E | N | S |
| H | A | R | ■ | M | A | T | T | ■ | ■ | B | I | N | G | E |
| ■ | ■ | ■ | O | M | A | N | I | ■ | L | A | S | T | ■ | ■ |
| B | E | N | E | D | I | C | T | I | N | E | ■ | S | A | M |
| E | L | A | N | ■ | ■ | ■ | B | E | T | S | ■ | U | S | A |
| L | I | U | ■ | S | T | L | O | U | I | S | ■ | P | S | I |
| O | T | T | ■ | O | R | E | L | ■ | ■ | ■ | R | E | A | D |
| W | E | S | ■ | D | I | E | T | O | F | W | O | R | M | S |
| ■ | ■ | P | O | O | R | ■ | B | L | A | N | C | ■ | ■ | ■ |
| C | A | R | O | M | ■ | ■ | S | L | I | D | ■ | A | N | N |
| O | S | A | K | A | J | A | P | A | N | ■ | F | R | E | Y |
| D | I | M | E | ■ | A | L | I | S | T | ■ | O | G | R | E |
| E | S | P | Y | ■ | M | I | N | T | Y | ■ | R | O | O | T |

The contest answer is **WORLD**. Each of the five theme clues contains a year. As suggested by the first and last Across answers, YEAR and ROOT, find the square root of those years. The letters in the correspondingly numbered boxes, in clue order, spell the contest answer.

▶ Solve this puzzle online and discuss it at **WSJ.com/Puzzles.**

# The Man Who Traded Betts Learns a Hard Baseball Lesson

By Lindsey Adler

WINSLOW TOWNSON/GETTY IMAGES

The Red Sox traded Mookie Betts to the Dodgers in 2020. The deal ultimately cost Boston executive Chaim Bloom his job.

The firing and hiring this week of front-office chiefs for the Red Sox and Mets was a reminder of a reliable truth for ambitious baseball executives: Their fate is closely tied to their team owners' ambitions—and whether their bosses are more desperate to win or to save money.

Chaim Bloom took over as the top baseball executive in Boston four years ago, at a time when owner John Henry had dispatched the Red Sox curse, won world championships—and was ready to keep his team under the luxury tax threshold.

That somehow led Bloom, leading a front office for the first time, to execute one of the most self-sabotaging moves in baseball history—trading Mookie Betts. Bloom's reputation never recovered and his later decisions failed to assuage the sting of his first big decision on the job. This week, he was fired.

"Our organization has significant expectations on the field," Red Sox owner John Henry said in a statement. "While Chaim's efforts in revitalizing our baseball infrastructure have helped set the stage for the future, we will today begin a search for new leadership."

The New York Mets' hiring of David Stearns, a former Milwaukee Brewers executive, reflects a much different proposition. The Mets and billionaire owner Steve Cohen—having regressed in 2023 despite the most expensive baseball roster ever assembled—have already made brutal decisions to absorb the enormous cost of unloading big contracts for Justin Verlander and Max Scherzer.

Enter Stearns, who comes into the job with an extensive track record, and a motivated team owner who has made his long-term vision clear. Stearns takes over in Queens with leverage; Cohen pursued him relentlessly. Their ability to work together, in concert with the rest of the organization, will determine the Mets' future success.

Leading a baseball front office can be rough business no matter how well the team does. Houston Astros owner Jim Crane didn't renew the contract of general manager James Click shortly after his team won the World Series last fall. His successor, longtime executive Dana Brown, has the Astros contending for another division title.

Plenty of experienced executives have spent their careers having a hand in the decisions, but never the final say. It's a luxury with a sharp edge—there is security in operating in middle management, with the upside of legacy and glory if things work out. Theo Epstein broke World Series droughts in Boston and Chicago which goes a long way to diminish the sting of various roster moves that didn't work out.

Stearns has an opportunity in Queens to become the Theo Epstein of the Mets—the guy who stopped the dysfunction.

Unlike Bloom, however, he is not saddled with one of the most unenviable first tasks in baseball history: Trading away Mookie Betts, a player who had won the MVP award the same year his team won the World Series.

It is the move that hangs over Bloom's entire tenure in Boston. It raises questions about whether an executive with more top-level experience and influence—his previous job had been as the second-in-command in Tampa Bay—would have been able to convince ownership that trading Betts under any circumstances would cause more long-term harm than any problem it was meant to solve.

Bloom has maintained throughout his time in Boston that he wasn't told specifically to trade Betts to get under the luxury tax threshold. Henry, through a team spokesperson, didn't respond to a request for comment. Bloom declined to comment as well.

Yet Henry made the reasoning clear after Betts was traded to Los Angeles less than four months into Bloom's tenure.

"We cannot shy away from tough decisions required to aggressively compete for the World Series. That's what led to this trade," Henry said at the Red Sox spring training facility in February 2020.

# OPINION

## Schumer Wants a Cut of AI

**INSIDE VIEW**
*By Andy Kessler*

Sen. Chuck Schumer, who's never seen a camera he didn't want to jump in front of, held a closed-door meeting last week on artificial intelligence. What? Closed? To me, it suggests an agenda beyond paving the path to a fantastic future. At the meeting, Elon Musk warned that AI is a "civilization risk." Mr. Schumer declared, "We can't be like ostriches and put our heads in the sand." They sound more like dodo birds.

One clue to the hidden agenda: Besides Mr. Musk and Meta CEO Mark Zuckerberg, OpenAI's CEO and other techies, the attendees included union leaders such as Randi Weingarten of the American Federation of Teachers, Liz Shuler of the AFL-CIO, Meredith Stiehm of the Writers Guild and two tech critics with "Humane" in their company names. Ugh. It looked like the ghosts of economics past had come to spook the spirit of economics future.

So of course it was held behind closed doors. It was as if the nascent AI companies were called into a meeting with a tough guy named Spike who listens and then says, "You wouldn't want anything to happen to your nice companies there, would you?" Or as if the union representatives of the horse-drawn-trolley conductors, rail-gauge manufacturers and manure sweepers were sitting in car-design meetings, demanding full employment for their guilds.

Henry Ford once said, "If I had asked people what they wanted, they would have said faster horses." Politicians might have demanded to tax horses based on speed. Back then, no one appreciated the potential for those rickety automobiles to transform the economy. We're at the same juncture with AI today.

**Interest groups and politicians seek regulation for their own purposes.**

When politicians get involved, their agenda for any business is to slow it, tax it, regulate it, harness it, redistribute it or just plain kill it. Mr. Schumer clearly forgets, if he ever even knew, what drives economic growth.

Unions control the Biden agenda. See auto strike. It is always status quo over progress. No wonder they get to sit in and threaten cutting-edge AI creators. This won't end well. Ms. Shuler, the union boss, emailed after the meeting, "There are many conversations still to come and, throughout the process, the interests of the working people must be Congress' North Star." Is that a signal of hope or a threat?

The "slow it" agenda is spreading. Already this month, Caltech has dropped physics, calculus and chemistry requirements for admission. The Portland, Ore., school system is considering "equity grading practices." That doesn't sound like the way to turn out the AI architects we will need.

AI is the next long wave of innovation that will increase societal wealth and enable tools that will make smartphones look like abacuses. So where are we in its evolution? According to venture firm A16z's analysis, general-assistant AI products like ChatGPT are 70% of traffic, but companionship is 13% and content generation at 10%. That will change.

Still, AI has a long way to go. A recent study typed this prompt into dozens of large language models: "Sally (a girl) has 3 brothers. Each brother has 2 sisters. How many sisters does Sally have?" For those who don't like these mental puzzles, the correct answer is one. None got it. ChatGPT 4.0 got closest with "Sally has 2 sisters." Others answered three or six. Generative AI is still far from civilization risk.

Also, headlines blared last week that Wharton M.B.A.s went up against AI in a blind contest for new business ideas. Three-quarters of the winners were generated by ChatGPT. So AI won, right? Hardly. Only the market decides the ultimate winners of innovative startups. Most crash and burn quickly, especially those that win business-model contests with human judges. The home runs that come out of incubators like Y Combinator and 500 Startups are usually the dumbest-sounding ideas, like Airbnb. Most are duds. That's why these firms fund so many companies, selecting with a shotgun, not a rifle.

Why does Silicon Valley bow to those who want to straitjacket their efforts? After the meeting, Mr. Schumer gloated, "I asked everyone in the room, 'Is government needed to play a role in regulating AI?' And every single person raised their hands." According to Axios, IBM CEO Arvind Krishna recently said he was an "extreme believer" in Mr. Schumer's AI strategy. Clearly Spike is persuasive.

Doesn't the tech industry know the real goal of Congress and unions is to slow AI just enough to insert themselves into the cash, control and maybe even censorship stream? This is digital extortion. They're saying: "We'll let you grow, but we get our cut." Like business-idea contests, they should let free markets decide. Until then, when you hear about AI regulation, think "Manure Sweepers Unite."

*Write to kessler@wsj.com.*

## Venezuelans Try Again to Oust Maduro

**AMERICAS**
*By Mary Anastasia O'Grady*

In an age of hyperpartisanship, it sometimes seems that Democrats and Republicans can't agree on the color of the grass. It's notable therefore that 13 Senate Democrats and seven Republicans signed an Aug. 31 letter to Secretary of State Antony Blinken calling on the Biden administration to wake up and smell the dictatorship in Venezuela.

A 2024 Venezuelan presidential election is a chance to recover democracy, and it's in the U.S. interest to see it happen, the senators explain in their letter. The economy is in ruins. "More than seven million Venezuelans have already fled the country in desperation." The nation can't "afford another fraudulent election, which will only bring further suffering" and "foment greater instability in the Americas." Yet that's where the regime is headed, "already doing everything possible to undermine prospects for a credible vote."

Talk of a free election in a dictatorship may seem preposterous. The police states built by Stalin, Mao, Castro and Chávez made sure that the boss and his successors were never voted out of office.

There have, however, been strongmen in modern history pushed aside by popular will. It happened to Nicaragua's Daniel Ortega in 1990 and Serbia's Slobodan Milošević in 2000.

In a recent telephone interview from Caracas, presidential candidate Maria Corina Machado acknowledged multiple failed efforts to restore democracy peacefully in her country. But this time, she says, things are different.

One reason is that the Venezuelan government has morphed into an internationally recognized organized-crime syndicate, and even left-wing leaders like Chilean President Gabriel Boric have distanced themselves from it. "Maduro has turned into a toxic figure," Ms. Machado says, pointing to an ongoing investigation of allegations of crimes against humanity by the International Criminal Court.

The opposition's primary, set for Oct. 22, is another reason for hope. Thirteen candidates are vying for a single nomination that major opposition parties and others have pledged to support. The privately run primary circumvents Mr. Maduro's national electoral council. There will be voting in 81 cities around the world to serve the large diaspora; inside Venezuela there are 3,010 polling stations across all 24 states.

"Venezuela looked demoralized six months ago," Ms. Machado says. "But not anymore." Today it's "a society determined to fight for freedom."

The candidate insists that critical support among groups that Mr. Maduro—and Chávez—once counted on has plummeted. "The grip that the regime has had over a large segment of the population has been lost." This includes elements inside "the armed forces, the police, the paramilitary groups known as 'collectivos.' What I'm seeing is that the social pressure has grown to such a level that people are desperate, and the military too, in the low and mid ranks." Power groups inside the government are fracturing, she says, making reference to the March purge of former Chávez insider Tareck El Aissami on charges of corruption at the state-owned oil company, PdVSA.

**The opposition parties stage a primary in hope of forcing a real election in 2024.**

A June survey by the Venezuelan polling company Delphos found that 85% of Venezuelans believe a change in government is necessary. The poll had Ms. Machado finishing first with a 27-point lead over her closest rival. Mr. Maduro considers her a threat. In June he disqualified her from running in 2024.

"Their whole campaign is, 'Don't vote for her because she won't be allowed to run,' " Ms. Machado told me. But the ban has boosted her popularity. "If I do well, then it will be clear who the leader of the opposition is. Maduro will be forced, in his negotiations with the international community, to lift bans on candidates and hold free elections."

Ms. Machado calls the humanitarian crisis in oil-rich Venezuela "absurd" because "there is no other country in the region that has what Venezuela has." To combat poverty she envisions turning the country into South America's energy hub, creating opportunity across all segments of society.

"Foreign investors who buy into the false premise that there is no possibility of regime change, simply look to coexist. But Maduro is not invincible. We will build back trust, restructure the debt and engage in massive privatization—and investment returns will be huge."

More importantly for Ms. Machado, so will the quality-of-life returns to Venezuelans who today suffer, beyond material privation, unimaginable loss of loved ones who have been forced to emigrate.

"There is one element that brings Venezuelans together: the desire to have our children back home," she says. "People are fighting to reunite their families or they say 'I don't want my last one to leave.' This has reached a spiritual dimension. People, a lot who consider themselves *chavistas*, say 'I am so tired of this humiliation.' This goes beyond hunger."

The outward migration is intentional on the part of the regime, Ms. Machado says. "They want people to give up." But "when people see that things that look hard and improbable are ethically inescapable, that's how change is made."

*Write to O'Grady@wsj.com.*

## Elizabeth Warren Owes Musk an Apology

**By Dennis Kneale**

Sen. Elizabeth Warren is demanding an investigation of Elon Musk and SpaceX's Starlink satellite network. She wants to know why he refused the Ukrainian military's demand that he turn on Starlink over a blacked-out portion of the Black Sea near Russian-controlled Crimea to guide a submarine drone attack on Russian ships.

"No one is supposed to make foreign policy for the United States other than the United States government," Ms. Warren told CNN on Sept. 12. "It is not up to one billionaire to go off in secret and change our foreign policy." In fact, Mr. Musk was following U.S. foreign policy.

In a new biography of Mr. Musk, Walter Isaacson writes: "Allowing the use of Starlink for the attack, [Mr. Musk] concluded, could be a disaster for the world. So he secretly told his engineers to turn off coverage within a hundred kilometers of the Crimean coast. As a result, when the Ukrainian drone subs got near the Russian fleet in Sevastopol, they lost connectivity and washed ashore harmlessly."

But on Sept. 8 Mr. Isaacson had issued a clarification: Mr. Musk didn't disable Starlink in the area; he declined a Ukrainian request to enable it.

At a fan summit for the "All In" podcast, released on Twitter Sept. 12, Mr. Musk said complying with the Ukrainian request would have violated American sanctions against Russia: "We're not allowed to actually turn on connectivity to [Russian-controlled Crimea] without explicit government approval. So, we did not have the U.S. government . . . and then we basically figured out that this was kind of like a Pearl Harbor attack on the Russian fleet at Sevastopol. So what they're really asking us for is to actually take part in a major act of war."

**His denial of Starlink service in Crimea was consistent with U.S. sanctions on Russia.**

He added: "And, you know, while we certainly have huge support for the Ukraine government, the Ukrainian government is not in charge of U.S. people or companies. That's not how it works."

The old cliché about no good deed going unpunished applies. Starlink, a privately owned network, has provided $100 million in free service to Ukraine since the war began, letting the country defend itself and re-establish communications destroyed by hundreds of Russian missiles.

What's more, Mr. Musk says he would have complied if President Biden ordered him to turn on his privately owned network for Ukraine: "While I'm not President Biden's biggest fan, if I had received a presidential directive to turn it on, I would have done so. Because I do regard the president as the chief executive officer of the country. Whether I want that person to be president or not, I still respect the office."

That is a lot more respect than Ms. Warren has shown for Mr. Musk. She owes him an apology.

*Mr. Kneale is a New York writer and host of "What's Bugging Me" on Ricochet.*

**BOOKSHELF** | By Marc Levinson

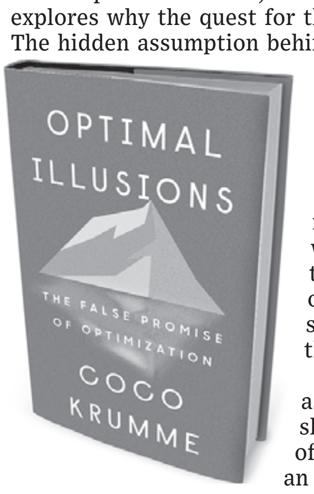
## Efficient To a Fault

### Optimal Illusions

**By Coco Krumme**
*(Riverhead, 256 pages, $29)*

The logistics business is a creature of mathematics. Algorithms dictate the most efficient plan for unloading boxes from a container ship, stacking them in a freight yard, managing the truck fleets that transport them to distribution centers and delivering their contents to millions of households. Yet when international trade in goods surged during the Covid-19 pandemic, all those algorithms failed to keep supply chains from becoming seriously tangled. Their dictates, it seems, were no longer optimal.

In "Optimal Illusions," mathematician Coco Krumme explores why the quest for the best so often falls short. The hidden assumption behind optimization, she notes, is that all relevant variables can be identified and accounted for in order to achieve the ideal outcome. Yet unknowns and uncertainties can upend the most carefully laid plans. "Optimization was invented, over time, with the idea of making a system, or a society, more perfect," she writes. But "we often see the opposite happening."




Optimization, Ms. Krumme asserts, has arisen from three shifts in how humans conceive of the world. The first shift is an increasingly atomized understanding that leads us to see individuals as assemblages of tiny bits of data. The second is a tendency toward greater abstraction, especially in computer modeling. The third is automation, which changes scale, devaluing the local and the particular. Over time, Ms. Krumme contends, these shifts have led us to understand reality in new ways—and to believe that we can perfect it.

The agronomist Norman Borlaug (1914-2009), a plant-breeding wizard hailed for innovations that led to the "Green Revolution," offers an improbable example. Borlaug's quest for optimal plant varieties boosted output per acre and drastically reduced the number of people facing starvation. Eventually, however, it had unforeseen consequences, such as the displacement of diversified family farms by bigger operations growing a single crop with large doses of fertilizers and herbicides.

"The deification of efficiency cast aside traditional methods of letting soil rest and regenerate," Ms. Krumme writes. "Its focus on increasing yields divorced agriculture from farmers, and farmers from land and place." Rural communities eroded. Small processors died out. And the surviving farmers, while more prosperous most of the time, became more vulnerable to price swings because their incomes depended on the value of a single crop.

Optimization, Ms. Krumme says, also lies behind the breakdown of the electric grid in Texas during the frigid winter of 2021. The grid sits atop a mountain of algorithms that project power demand, forecast the output of individual generating plants, and allocate energy based on the prices customers and suppliers are willing to pay and receive. "It's a system optimized to work fantastically, when everything's working fantastically," she observes.

**A mathematician makes the case that our obsession with data and algorithms leads us to miss the bigger picture.**

But optimizing investment had squeezed out excess generating and transmission capacity, while the models hadn't accounted for a prolonged spell of sub-freezing temperatures. When customers turned up the heat, the electricity they counted on was to be had only at extortionate prices, if at all. What was optimal in certain circumstances turned out to be suboptimal when the weather changed.

What's the problem? Optimization is a mathematical procedure purported to be rigorously objective and free of biases. The basic concepts are taught in every calculus class. A simple computer program can do the heavy lifting. "We start off with what we imagine is a blank slate," Ms. Krumme writes. "We throw in piles of data and let the computer code spit out the 'best.' "

But the mathematical analysis is often divorced from reality. Constraints may be ignored, misunderstood or forgotten. The specific knowledge possessed by individuals who know the idiosyncrasies of a machine or a market is disregarded. And the slate on which a model is built may not be blank at all. While genetically modified crops may be optimal in terms of tons per acre of farmland, how does one weigh the loss to growers who wish to continue planting traditional varieties but cannot do so when the local farm co-op no longer wants to purchase and store what they've grown?

Moreover, optimization cannot readily be undone. The Colorado River Compact of 1922 optimized the distribution of water based on the flows and consumption patterns that prevailed at the time, but it became far from optimal once average precipitation declined, Mexico negotiated a share of the river's flow, and population growth in places like Los Angeles and Las Vegas vastly increased the demand for water.

Ms. Krumme is aware that optimization techniques have brought enormous benefits. Her complaint is that they have also "come with trade-offs: the loss of slack or downtime, the abstracting away of place and particulars." They have "led to a loss of human scale, making events like the Texas-grid breakdown more frequent." One reason why, she laments, is that over time the underlying assumptions behind algorithms fade into obscurity, and certain basic questions are no longer asked.

At times, Ms. Krumme veers toward the romantic, longing for a simpler past. Some readers may find her jabs at "efficiency's overreach" off-putting. Nonetheless, her warning about quantitative excess deserves attention. The basic mathematical and computer skills needed to manipulate large datasets are taught everywhere today, but few of the students who learn these skills receive much grounding in the limitations of the data they are analyzing or the ethical implications of their work. Ms. Krumme's provocative, brisk and refreshingly nontechnical book offers an important corrective.

*Mr. Levinson's books include "The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger."*

# OPINION

## REVIEW & OUTLOOK

## How California Does (In) Business

California Gov. Gavin Newsom professes to be deeply worried about democracy. Good for him. Yet he doesn't seem concerned by how unions and Democrats in Sacramento are subverting democracy to extort fast-food businesses to do their bidding.

**Sacramento subverts democracy to extort fast-food restaurants.**

Democrats last year passed a law establishing a state council with open-ended authority to set wages, benefits and working conditions for fast-food shops. Businesses responded, as California law says they can, by qualifying a referendum for the November 2024 ballot to overturn the law.

But in mafia-like fashion, Democrats retaliated and threatened more punishment if fast-food restaurants didn't drop the referendum. The June state budget revived a long-dormant Industrial Welfare Commission (IWC) with sweeping authority to set wages, hours and working conditions across all industries, not only fast food.

Then Democrats threatened to hold franchisors jointly liable for alleged labor violations of franchisees—a drive-by attack on the corporations bank-rolling the referendum. The double attack threatened to put many fast-food restaurants out of business and drove them to negotiate a "compromise" with the Governor and unions. They had a choice of being shot point-blank, or in the back while on the run.

The deal Gov. Newsom announced rescinds funding for the state Industrial Welfare Commission and drops the joint-employer liability legislation. The state fast-food council will also be replaced by a board whose authorities are nominally more limited. In return, businesses dropped the referendum.

Rather than issue binding rules, the new board will recommend regulations to the Governor's labor commissioner, who will have to follow notice and comment before imposing them. This provides a modicum of due process, but it still lets Democrats in the Legislature dodge tough votes. Who doubts that the labor commissioner will adopt the board's orders?

Mr. Newsom recently called Florida Gov. Ron DeSantis "functionally authoritarian." But who's the real authoritarian? Mr. Newsom's deal gives him sweeping powers to regulate the fast-food industry. It also raises the minimum wage for fast-food employees to $20 an hour next year, up from the statewide $16 minimum for all industries.

Restaurants in affluent areas typically pay higher wages and can more easily raise their prices to compensate, but those in lower-income areas will struggle. Will farm workers in Fresno pay $7 for a Big Mac? An analysis by Oxford Economics estimates the $20 minimum wage would lead to a loss of 5,100 fast-food jobs and more than 300 establishments.

The economic impact will extend beyond the fast-food industry as unions well know. Fast food's $20 minimum wage will force employers in such industries as retail and transportation to raise pay to compete for workers. That means $20 an hour will become the state's de facto minimum wage, which will threaten many small businesses. Nearly eight million workers in the state earn less than $20 an hour.

Unemployment in California has crept up to 4.6%—the second highest in the country after Nevada—from 3.8% last July. One reason is businesses are leaving for states where they don't have to worry about getting extorted by the Democratic union machine for daring to ask voters to override the Legislature. Democracy withers in this one-party state.

## Gary Gensler Tells a Climate Whopper

When is a climate policy not a climate policy? Apparently when Chairman Gary Gensler of the Securities and Exchange Commission is trying to disguise the intent of his forthcoming climate-disclosure rule while testifying before Congress.

**The SEC Chairman fibs to Congress about his pending disclosure rule.**

The SEC last spring proposed a highly controversial rule that would require public companies to disclose their putative climate risks and greenhouse-gas emissions, including those of suppliers and customers. The rule is expected to be finalized soon and will likely meet a swift legal challenge under the Supreme Court's major questions doctrine because Congress never authorized it.

Mr. Gensler told the Senate Banking Committee last week this was no big deal. The rule "is built on multi-decades authority about disclosure" going back to New Deal legislation, he claimed. Nice try.

The 1934 Securities Exchange Act allows the SEC to mandate disclosures that are "necessary or appropriate in the public interest or for the protection of investors." But even the Obama SEC in 2016 conceded that "a specific congressional mandate" would be necessary before adopting a climate disclosure rule. How does it benefit the public and investors to require, say, Walmart to calculate its greenhouse-gas emissions? The mandate will merely increase business costs, which will be passed on to customers.

Mr. Gensler also claimed he is merely trying "to bring comparability to that which is already happening" and that "over 80% of the top 1,000 companies in 2021 were making climate disclosures."

But climate and greenhouse-gas emissions aren't equally material to all businesses. His one-size-fits-all regulation is trying to solve a problem that doesn't exist.

The Chairman's biggest whopper was his assertion that "we have no climate agenda whatsoever." Yet emails obtained by Energy Policy Advocates through a Freedom of Information Act request show that SEC officials have been working on the rule with the climate outfit Ceres, whose stated goal is to "achieve a zero emissions future."

Mr. Gensler may not want to risk the wrath of Congress by admitting that a climate disclosure rule amounts to a climate agenda. But the rule's goal is to give the climate lobby and trial lawyers ammunition to attack business. That's why they're pressuring Mr. Gensler to force it through on a partisan vote.

## Why Ken Paxton Was Acquitted

One-party dominance in a democracy means the main political debates occur in the ruling party, including personal political feuds. That explains the overwhelming decision by Republicans in the Texas state Senate on Saturday to acquit Texas Attorney General Ken Paxton on 16 articles of impeachment filed by the Republican Texas House.

**Texas Republicans risk becoming the Albany Democrats.**

Mr. Paxton's defenders are spinning that he was saved by a populist national conservative groundswell to put an end to the "Bush era" in Texas. What a joke. There is no longer a Bush era in Texas or anywhere else. George P. Bush, Jeb Bush's son, lost to Mr. Paxton in the 2022 primary for AG.

What really happened Saturday is that Lt. Gov. Dan Patrick, who runs the state Senate, chose to rescue Mr. Paxton in a rebuke to his rival, House Speaker Dade Phelan. All politics is very local here.

We wrote at the beginning of the Senate trial that Mr. Patrick looked like he might examine the evidence with an open mind. He had kept quiet during the House debate. But we were wrong. It's now obvious the fix was in from the start and that Mr. Patrick lobbied his fellow GOP Senators to unite against the House articles of impeachment. Only two GOP Senators voted to convict Mr. Paxton, and one of them is 78-year-old Robert Nichols, an independent-minded committee chairman.

Mr. Patrick's bias was on display immediately after the Senate trial ended when he blamed it all in highly personal fashion on Mr. Phelan. "The Speaker and his team rammed through the first impeachment of a statewide-elected official in Texas in over 100 years while paying no attention to the precedent," Mr. Patrick said. He added that the impeachment should never have happened and that he would move to rewrite the state constitution so it doesn't happen like this again.

Mr. Patrick also went on the attack against Mr. Phelan, calling for "a full audit of all taxpayer money spent by the House from the beginning of their investigation in March to today." It's revealing that Mr. Patrick's statement dealt entirely with the impeachment process, not with Mr. Paxton's behavior.

The Texas House impeachment did happen relatively fast, but it came after months of investigation and with compelling evidence. Mr. Paxton triggered the probe by seeking $3.3 million from the Legislature to settle a lawsuit brought by whistleblowers on his staff alarmed by Mr. Paxton's dealings with real-estate developer and campaign donor Nate Paul. The House voted 121-23 in favor of impeachment, with 60 Republicans in the majority.

The acquittal is perhaps a satisfying victory for Mr. Patrick over his House rival, but it may not play out so well for Texas Republicans in the longer run. A federal investigation into Mr. Paxton is continuing amid reports that a grand jury has been empaneled.

One-party rule has often led to abuses of unchecked power and corruption in U.S. state governments, as we've learned in Albany, Springfield and Trenton. If voters draw that lesson from Mr. Paxton's acquittal, the GOP's political dominance could be in jeopardy as Texas demographics change.

Texas voters still lean right, but evidence of corruption can overcome ideology when the party in power dismisses it as unimportant. A precedent worth noting is when lobbyist Jack Abramoff and aides to then Majority Leader Tom DeLay abused their power. Mr. DeLay was never charged, but the scandal helped Democrats retake the House majority in 2006. Texas Republicans do not want to become the conservative version of Albany Democrats.

## LETTERS TO THE EDITOR

### *Navarro Responds on His Contempt Conviction*

Your editorial "Peter Navarro's Contempt Conviction" (Sept. 9), which gives two cheers for a guilty verdict against me for doing my constitutional duty, ignores hard truths.

First, the Supreme Court and Justice Department draw a clear legal distinction between Internal Revenue Service bureaucrats like Lois Lerner and presidential "alter egos" like myself. Ergo, there is no Justice Department "double standard" on contempt prosecutions for the right to exploit.

I am the only senior presidential adviser ever to be indicted for this. My indictment runs contrary to longstanding Justice Department policy that senior White House advisers can't be compelled to testify before Congress. You argue that I "could have appeared" and pleaded the Fifth or "invoked executive privilege on specific questions." Yet the judge ruled that if I had done so, I would have forfeited my right to the department's absolute testimonial immunity, weakening executive privilege *and* my case.

Second, your editorial claims there is "no evidence" President Trump invoked executive privilege. There is plenty of evidence, including phone calls, a Mar-a-Lago visit and communications with Trump aides. The privilege had also been invoked for all other advisers. Shouldn't you ask why a court considered that "weak sauce" instead of throwing me under the weaponized Justice Department bus?

Third, rather than "a significant victory for oversight," this conviction mortally wounds the separation of powers. Whenever one party controls the White House, Congress and Justice Department, partisan committees will now be able to hound every former president and his advisers.

Fourth, the Republican House can issue a blizzard of subpoenas, but as long as President Biden controls Justice Department indictments and pardons, he, his West Wing advisers and Hunter can ignore them. To argue otherwise is naive.

There is much at stake in *U.S. v. Navarro*. If I win, I will have settled good law in defense of the constitutional separation of powers.

PETER NAVARRO
*Washington*

*Mr. Navarro was director of the White House Office of Trade and Manufacturing Policy, 2017-21.*

### *Tuberville Isn't Even in Sanders's League*

While I applaud Larry Hogan for raising the issue of Bernie Sanders's refusal to move the nomination of the National Institutes of Health director, the comparison of Sen. Sanders's actions with those of Sen. Tommy Tuberville is specious ("The Tuberville-Sanders Playbook," op-ed, Sept. 8).

First, Mr. Tuberville, unlike Mr. Sanders, isn't holding up nominations. He is refusing to let them be approved by unanimous consent—a timesaving procedure. Sen. Chuck Schumer could call up any of the military nominations anytime, and the Senate would have to debate and vote on them.

Mr. Schumer claims this would take too much floor time, but the Senate just spent four weeks at home and rarely "works" more than three days a week in Washington. By contrast, Mr. Sanders won't allow his committee to act on any health nominees, guaranteeing that no votes can occur.

Second, Defense Secretary Lloyd Austin unilaterally changed, via memo, decades of Pentagon abortion-funding policy set by elected representatives. Mr. Tuberville is simply reasserting the legislative branch's authority to legislate. Mr. Austin could always repeal his memo and return decision-making on this controversial issue where it belongs, with Congress.

If Mr. Sanders had the votes of his fellow lawmakers to impose price controls on prescription drugs (Congress being the correct body to make such a radical change in government policy), he would have done so. Because he doesn't, he is pressuring the White House to dictate his will through executive fiat. It is misguided to compare his actions with Mr. Tuberville's. The differences couldn't be starker.

KRISTEN A. ULLMAN
*President, Eagle Forum*
*Alexandria, Va.*

### *Penny Wise and Pound Foolish on Transplants*

It was with astonishment that I read your editorial "Medicare's Bad Call on Transplant Tests" (Sept. 11). The Centers for Medicare and Medicaid Services have made a poor decision to deny payment for innovative molecular tests to detect early signs of organ-transplant rejection. This vital testing helps clinicians deter expensive and life-altering organ rejection. As a retired executive who worked on developing and marketing renal-dialysis systems, I find this decision by CMS mind-boggling.

It is without debate in the nephrology community that a successful kidney transplant is the clinically superior and most cost-effective modality for treating patients with end-stage renal disease. The reason more dialysis patients aren't treated with renal-transplant therapy is a dramatic shortage of donated kidneys, in part fueled by avoidable transplant rejections.

The average Medicare cost differential between a transplant and treating a patient on hemodialysis now approaches $75,000 a year, and that figure is growing rapidly. In addition to the significant clinical and lifestyle advantages, the use of innovative molecular testing would save the CMS billions in cost incurred when transplants are rejected and patients must return to dialysis. The expression "penny wise and pound foolish" comes to mind.

ARTHUR L. HOLDEN
*Winnetka, Ill.*

### *The Day Open Inquiry Died At the American University*

I am glad that William Galston had the opportunity to study at Cornell under such distinguished professors as Allan Bloom, Walter Berns and Donald Kagan in an atmosphere of open inquiry ("Ron DeSantis's Illiberal Education," Politics & Ideas, Aug. 30, and "Indoctrination Has No Place in Education," Politics & Ideas, Sept. 13). Bloom and Berns both left Cornell when the atmosphere turned hostile to open inquiry. Student militants demanded that a black-studies program be established, and the administration caved in under threats of violence.

Berns was threatened personally. As Kagan remarked, it was "a disillusioning experience. Watching administrators demonstrate all the courage of Neville Chamberlain had a great impact on me, and I became much more conservative."

All three gentlemen would have understood what Gov. DeSantis has faced in Florida. They might not approve of his methods, but they would have known the difference, as did the philosopher Karl Popper, between the open society and its enemies.

ROBERT KORNFELD
*Chicago*

### *Faith Is for Doubters, Too*

In my 20s and 30s, I called myself a "religious-minded agnostic" in the Christian tradition ("Pious Agnosticism as a Form of Judaism" by Joseph Epstein, Houses of Worship, Sept. 8). In my 40s, I found an Episcopal church with a sign on the door: "Doubters and skeptics welcome." With that invitation, I became an Episcopalian and gradually a person of faith, although I still leave room for doubt.

D. JOE SMITH
*Chestertown, Md.*

### *Thank Schwab and Bogle*

William Barr and Barbara Comstock credit technology with greatly lowering costs for the retail investor ("Gary Gensler's Plan to Control Information," op-ed, Sept. 11). While that is certainly a factor, I think the lion's share of the credit goes to Charles Schwab and his namesake firm in brokerage as well as Jack Bogle and his Vanguard mutual funds.

Technology and economies of scale are enablers, but those two leaders blazed the trail, to the chagrin of many competitors, to slash fees. Despite the technology, downward price trends have been more muted in other areas, such as hedge funds.

MARTIN RIEHL
*Downingtown, Pa.*

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

### Pepper ... And Salt

THE WALL STREET JOURNAL

*"Feel free to plug in the company toaster and have a power lunch."*

OPINION

# Wisconsin's Supreme Court Brawl

By Collin Levy

The Wisconsin Supreme Court became a national battleground in April when Democrats fought to get Judge Janet Protasiewicz elected, flipping the court to a 4-3 liberal majority. She succeeded in part with a strategy that broke all conventions for judicial races, telling voters her view on abortion and declaring the state's electoral maps are "rigged" while musing that she would "enjoy taking a fresh look at the gerrymandering question," which the court had already decided last year.

**Lawmakers may impeach a justice who campaigned on the claim that their districts were 'rigged.'**

Her allies promptly obliged the invitation, filing a complaint the day after she was sworn in to challenge the state legislative maps. The complaint, brought by groups including the Campaign Legal Center, the Election Law Clinic at Harvard and Law Forward, charges that the electoral maps are "extreme partisan gerrymanders" and violate constitutional guarantees of equal protection.

Republicans filed a motion for her recusal, arguing that Justice Protasiewicz's campaign statements show she has prejudged the legal questions that will come before the court. The Wisconsin Code of Judicial Conduct calls for recusal when a judge "has made a public statement that commits, or appears to commit, the judge with respect to . . . an issue in the proceeding [or] the controversy in the proceeding."

State Republicans say that her failure to recuse could be grounds for her impeachment, a vote that would be held in the Republican-controlled state Assembly. State law requires a simple majority for impeachment and the result would disqualify Justice Protasiewicz from hearing cases while awaiting trial in the Senate.

That would be inconvenient for Democrats, who want a decision on the maps promptly enough to let them arrange new candidates for redrawn districts in 2024. The state's current legislative maps were approved by the state Supreme Court in 2022, but the lawsuit would put all 132 state lawmakers up for re-election in 2024, including 17 senators (12 of them Republicans) elected to four-year terms in 2022.

How Democrats imagine they would redraw the maps for their desired outcomes is a stickier question. The current maps were adopted by the state Supreme Court after the U.S. Supreme Court threw out maps drawn by Democratic Gov. Tony Evers. The justices in Washington ruled the Evers maps an illegal racial gerrymander in violation of the 14th Amendment's Equal Protection Clause. They remanded the case to the Wisconsin court, which settled on what we have today.

MORRY GASH/ASSOCIATED PRESS

Justice Janet Protasiewicz

Democrats say those maps gave Republicans an unjust advantage in the state Assembly (64-35) and Senate (22-11). But the supposedly gerrymandered districts brought little change. In 2022 Republicans picked up one Senate seat, in the GOP-trending 25th District, where Donald Trump outpolled Hillary Clinton and Joe Biden and the Democratic incumbent didn't seek re-election. The GOP gained three Assembly seats, two from the 25th Senate District. (Each Wisconsin Senate district is subdivided into three Assembly districts.)

With the impeachment threat looming, Democrats have howled that no judge has ever been impeached for failing to recuse for statements made on the campaign trail. That's a vacuous truth, since no judicial candidate has ever made the kinds of explicit statements Justice Protasiewicz did.

The Democratic Party of Wisconsin and other groups launched a $4 million plan to defeat Republicans who support impeachment. State Democratic Party Chairman Ben Wikler promised a website tracking Republicans who would vote to impeach and said Republicans "are holding a political nuclear football."

Perhaps in a bid to calm the waters, Assembly Speaker Robin Vos last week proposed to move Wisconsin to a redistricting process modeled on the one in Iowa, where an independent Legislative Services Agency draws the lines. That's a system that has long been championed by Wisconsin Democrats, who have routinely encouraged voters to consider a "nonpartisan" method of drawing legislative districts.

On Thursday the Assembly voted 64-32 to approve the Iowa-style redistricting process. Republicans were joined by Milwaukee Democrat LaKeshia Myers, who said she was disappointed her Democratic colleagues hadn't done more to engage with Republicans on the topic. "As an African-American member of this body, we have a different set of rules to play by," Ms. Myers said.

Ms. Myers is right that a compromise may not be the worst idea for Wisconsin voters. The Milwaukee Journal Sentinel and the Wisconsin Democracy Campaign note that referendums and resolutions in 57 of Wisconsin's 72 counties have supported switching the state to nonpartisan redistricting. The question now heads to the state Senate. Mr. Evers has said that he will veto it, but the 64-32 margin is precisely the two-thirds threshold to override a veto.

Democrats and outside groups spent more than $51 million to elect Justice Protasiewicz, and she won convincingly, so they may not be in the mood for compromise. But if Democrats hope to use their liberal court majority to revisit everything from the state's abortion laws to former Gov. Scott Walker's Act 10, which limited collective bargaining for state unions, they might think twice.

They can't do any of that without Justice Protasiewicz. The Wisconsin Constitution allows impeachment in cases of "corrupt conduct in office." If prejudging a case and failing to recuse oneself doesn't count, what does?

*Ms. Levy is a member of the Journal's editorial board.*

# DayQuil, Covid Vaccine Boosters and FDA Science

LIFE SCIENCE
*By Allysia Finley*

If DayQuil never seemed to unstuff your nose, now you know why: Its core decongesting ingredient, phenylephrine, doesn't work.

That's what a Food and Drug Administration advisory committee unanimously concluded last week, 16 years after researchers first told the agency that evidence from the 1960s and '70s purportedly demonstrating the ingredient's efficacy was flawed. For decades, people have been taking what amounts to a placebo.

But unlike a sugar pill, phenylephrine can cause lightheadedness, queasiness, headaches and a rapid heartbeat. What took the FDA so long to act?

Perhaps typical bureaucratic inertia and reluctance to backtrack on "settled science." This episode mirrors the debate over Covid boosters, which the FDA approved last week, the day before its advisory committee concluded phenylephrine is ineffective. As was the case for phenylephrine, booster recommendations are based on flawed studies and extrapolations.

The FDA concluded in 1994 that phenylephrine was "generally recognized as safe and effective" when administered orally, such as in a cold syrup, "even though the efficacy data were borderline," according to an agency staff report. Why? Because the ingredient had proved effective when administered intranasally.

Yet studies as early as the 1930s showed that significantly higher doses of phenylephrine than are safe would be needed to have a decongesting effect, since it is mostly metabolized before reaching the bloodstream. At the time, however, the FDA credited positive evidence from poorly constructed industry studies.

When the agency revisited the issue in 2007, an industry meta-analysis of prior flawed studies showed phenylephrine was effective. But as an agency scientific adviser quipped at a regulatory briefing that March, "all meta-analysis is post facto. You only do it if you know you're going to win." The FDA then sought more studies to measure the efficacy of higher doses—yet the three placebo-controlled trials between 2015 and 2018 were negative.

In its recent review, FDA staff concluded that early studies demonstrating the drug's efficacy were flawed and possibly biased. Ten, all from the same industry sponsor, had "multiple methodological and statistical issues" and apparent "data integrity" problems. Two "produced near textbook perfect results that could not be duplicated in other similarly designed studies."

Why didn't the FDA acknowledge this sooner? Perhaps because, as the agency's review notes, doing so could lead consumers to switch to other medications that carry their own risks. Pseudoephedrine, the only other approved oral decongestant, must be bought "behind the counter" because it can be used to make methamphetamine.

**The industry studies that showed a decongestant was effective turned out to be flawed. Sound familiar?**

"Some consumers may believe that [oral phenylephrine] is helpful to them, resulting in frustration and anger if it is no longer available to purchase," the FDA added. But who wants to spend money on a dud drug? The review also cited "significant retooling costs to industry" if manufacturers have to reformulate products.

An admission of error might also lead the public to question the agency's expert judgment. This is doubtless the concern that has animated the FDA's ferocious pushback to questions about the benefits and necessity of Covid booster shots for everyone as young as 6 months.

"Public health experts are in broad agreement about these facts, and efforts to undercut vaccine uptake are unfounded and dangerous," FDA Commissioner Robert Califf tweeted Friday.

The FDA last week approved updated boosters based on data showing they generated antibodies and past studies purportedly demonstrating that the original vaccine and earlier booster versions worked. But these are large extrapolations based on flimsy evidence. No placebo-controlled trials have shown the boosters are effective, and studies on prior boosters systemically suffer from what scientists call "healthy user bias"—the process by which healthier people, who are more likely to receive a treatment, skew retrospective analyses.

One widely cited study from Israel found people who got the first boosters were 90% less likely to die of Covid within a 54-day period. Yet scientists from Stanford and the University of California, San Francisco, who analyzed the data estimated that those who didn't get boosters were also 94.8% more likely to die of non-Covid causes during the same period.

Criticism of the FDA's rush to roll out boosters for everyone, regardless of risk, isn't coming only from partisans. One of the most vocal critics has been UCSF epidemiologist Vinay Prasad, an avowed Bernie Sanders supporter, who has also ridiculed shaky evidence used to support mask mandates and lockdowns.

"The standard for truth and misinformation must be consistent," Dr. Prasad wrote in a recent Substack post. "It is concerning when news outlets permit political scientists to lie to promote a dubious vaccination campaign that is not followed by peer nations." The U.K. and Australia haven't recommended boosters for healthy people under 65.

University of Pennsylvania professor Paul Offit, a leading vaccine advocate, has also criticized the weak evidence public-health officials have used to support updated boosters, especially for those at low risk. Officials have adopted a position of "absolutism," he recently explained on a University of Iowa podcast, because "when you show that you're in any sense questioning, it looks bad."

Never mind that questioning the "science" is how science works.

At least the FDA is finally correcting the record on phenylephrine, but how many bottles of DayQuil did Americans needlessly consume before it did?

# A Ukrainian Soldier's Story of Captivity and Torture

By Jillian Kay Melchior

*Kyiv, Ukraine*

Only after his release from Russian captivity did Serhii Rotchuk learn his breastbone had been fractured during a beating. He also had lost some 65 pounds after subsisting for almost a year on skimpy rations that often included rotten meat.

Mr. Rotchuk, 34, is among more than 2,500 Ukrainians who have been released in prisoner exchanges since February 2022, when Russia's full-scale invasion began. His story helps explain why Ukrainians are skeptical of any peace agreement. Russia is a signatory of the Geneva Conventions, which prohibit the torture and maltreatment of prisoners of war. Yet in Russian custody Ukrainians have endured "a cruelty that is psychopathic," says Tetiana Sirenko, a psychotherapist who has treated some 400 civilian and military survivors of Russian torture.

Alice Jill Edwards, the U.N. special rapporteur on torture, said this month that Russian violence against Ukrainian captives "is not random, aberrant behavior" but a "part of state policy to intimidate, instill fear or punish to extract information and confessions."

Many former prisoners of war don't speak publicly about what they endured, because of trauma or official constraints on what soldiers can say given the sensitivity of diplomacy around prisoner exchanges. Others "are going back to the front and realize they may be captured again," Ms. Sirenko says. "They understand the potential price of this publicity."

That makes Mr. Rotchuk, a combat medic with the Azov Brigade of the Ukrainian military, unusual. He's amused when friends agonize over what they should or shouldn't broach around him. "If you're interested, just ask," he says. It's not as though avoiding the topic will help him forget more quickly: "I'm not sure the situation will come out of my head for many more years."

In May 2022 Mr. Rotchuk found himself trapped "inside a circle of the enemies and the sea" in the southeastern city of Mariupol. Ukrainian soldiers and civilians took refuge in the Azovstal steel plant. "We had an amazingly high number of injured guys," and medical supplies were running out. After weeks under siege, the Ukrainians worked out a deal for the civilians' evacuation and the soldiers' surrender. We understood "that not all guys will get home, maybe some of the guys will stay in prison, someone will probably die in prison," Mr. Rotchuk said.

The Russians took him to Olenivka, in the occupied part of Donetsk. Two months later, guards came with a list of names of nearly 200 Ukrainians who would be moved to another barrack. The next night, Mr. Rotchuk heard an explosion and screams. Survivors later told him that they had seen "a lot of fire, a lot of guys just burned alive."

More than 50 Ukrainian prisoners died at Olenivka in the early hours of July 29, 2022. The Russians claimed Ukraine had attacked the prison with Himars, a mobile, high-precision rocket system provided by the U.S. But the U.N. High Commissioner for Human Rights concluded in July 2023 that the explosion "was not caused by a HIMARS rocket." A statement from the Ukrainian military accused Russia of carrying out the bombing "in order to accuse Ukraine of committing 'war crimes,' as well as to cover up the torture and executions of prisoners which they carried out there."

Less than two months later, Mr. Rotchuk and others were transferred to prison in the Russian city of Taganrog, where conditions were so bad "we started joking about 'Olenivka summer camp.' " Mr. Rotchuk says he was beaten, was subjected to electrical shocks, and had needles jammed under his fingernails. He says he witnessed a lot of "blunt trauma of the legs, blunt trauma on the ribs, chest, and sometimes on the head." He describes his captors as "professionals" who can inflict painful wounds that don't leave bruises. "Now I have a big problem with my knees, my joints," as well as "permanent stress, I think."

**Russia is a signatory to the Geneva Conventions. But it treats its prisoners with lawless brutality.**

The Ukrainian prisoners became "very tired guys, with very dark eyes" and "a very specific smile," Mr. Rotchuk says. "I saw a lot of guys just break, and it was really hard for them. And in the opposite: Very young guys, the type which is sensitive—they show themselves like stones, like rocks, and I was very impressed."

In May 2023, the Russians told Mr. Rotchuk to collect his things. "I understood that it could be something either very good for a change or very bad." It was good—a prisoner exchange.

Samer Attar, a Chicago physician who has volunteered in Zaporizhzhia region, was present for one prisoner exchange during the summer of 2022. He recalls seeing "scores of young men," all of them "emaciated" and "sickly looking." After their release, Ukrainian soldiers are handed off to professionals like Ms. Sirenko, who is deputy director for psychological work at a clinic run by the Health Ministry.

She says nearly all the former prisoners she has treated endured electrical shocks, which can cause long-term cardiovascular damage. "A very common thing done to men is electrodes placed on their genitals and other parts of their body," she says. "Then there are also things like breaking fingers and bones, tearing out fingernails, and beatings on the heels."

She has also treated cases involving "a lot of sexual violence—gang rapes, raping with objects." Russians sometimes brand their victims, and if they discover a patriotic tattoo, they may cut off "the skin and some of the flesh under it," Ms. Sirenko says. A few of her patients were filmed as they were tortured, and the Russians sent the footage to their families.

Given Russia's lawless brutality, Ukrainians have no confidence it would abide by any negotiated peace, and they fear domination more than war. Some four months after Mr. Rotchuk's release, he's back in the military training new recruits. He intends to return to the front.

*Ms. Melchior is a London-based member of the Journal editorial board.*

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# Strikes Change the Look of Fall TV

By Nate Rattner
And Sarah Krouse

Major broadcasters have thrown out the usual script for fall prime-time lineups.

Production delays caused by the Hollywood writers and actors strikes mean the coming slate of shows on ABC, NBC, CBS, Fox and the CW will look a lot different from past years. This year, viewers will see lineups heavy on reality and game shows, such as "Shark Tank," "The Masked Singer," "Celebrity Jeopardy!" and "Raid the Cage." Networks are turning to reruns of hits such as "Law & Order" and "Blue Bloods" to fill airtime.

Some, like NBC and the CW, are trying to replicate the typical fall viewing experience by licensing shows released on television overseas.

At Fox, new scripted fare includes "The Simpsons" and "Family Guy," animated shows

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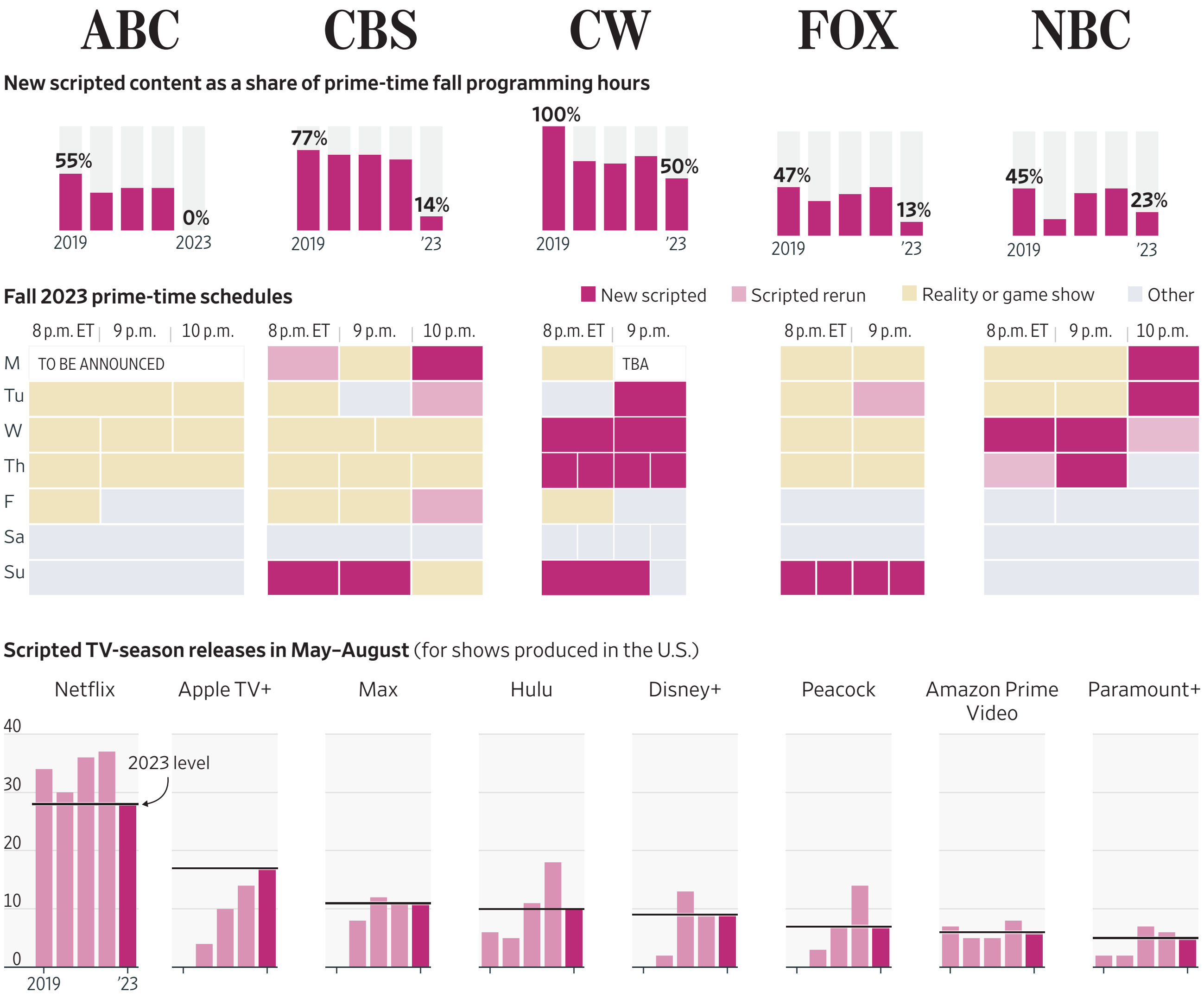
MICHAEL BECKER/FOX/EVERETT COLLECTION

Lineups are heavy on reality and game shows such as 'The Masked Singer' on Fox.




Methodology: Fall prime-time programming data for 2019-22 are from TV ad-measurement company iSpot.tv, which created a fall schedule for each network between Labor Day and mid-December of each year using the programs in which the most ads aired—a proxy for the shows that aired most frequently—in each time slot. The fall 2023 prime-time schedules are from each network as they define prime time and as of Sept. 15. For ABC, CBS, Fox and NBC, programming from 7 p.m.–8 p.m. ET (part of prime time for those networks) isn't shown. Times shown on 2023 fall schedules can vary by program, network and time zone. CBS schedule graphic shows schedule in a week in which there is one CBS NFL game. For days and times where programming is planned to change mid-fall, CBS schedule graphic and new-scripted-content chart include the earlier titles. Programming that made its debut on another network or overseas, or has been available on streaming services, is counted as new scripted content for a given network, while rerun programming isn't.

Sources: WSJ analysis of iSpot.tv data (networks' fall prime-time schedules, 2019-22); the companies (networks' prime-time schedules, 2023); Ampere Analysis (streaming releases)

# Tech Sector Shows Cracks As Rates Rise

Investors view high valuations of leaders with renewed skepticism

By Karen Langley

Technology stocks have powered the 2023 market rally and become increasingly expensive in the process.

Now, a growing expectation that the Federal Reserve will keep interest rates higher for longer threatens to stifle the trade, potentially dimming the outlook for indexes like the S&P 500 that are heavily influenced by tech.

That is because investors' yearslong enthusiasm for tech shares was fueled not just by innovation at software and hardware companies but also by ultralow interest rates that made the future profits promised by those companies especially valuable.

Traders were willing to pay higher multiples of a tech company's near-term earnings to share in its far-off growth.

Their calculations changed last year when the Fed began aggressively lifting interest rates to tame inflation. By the end of 2022, the S&P 500's tech sector had slumped 29%, becoming cheaper relative to earnings and underperforming the S&P 500 for the first year since 2013.

This year, excitement about advances in artificial intelligence and bets that the Fed would start cutting rates sooner rather than later sent tech stocks again bounding higher.

But a stubborn streak in inflation data and a surprisingly resilient economy have pushed out the date at which markets expect rate cuts, causing investors to look with renewed skepticism at the valuations commanded by the market's leaders.

"We just think the market's a little rich," said Max Wasserman, co-founder and senior portfolio manager at Miramar Capital. "Now if you take technology out, we think the market is much more reasonably valued."

Wasserman said his firm recently bought shares of industrial and financial companies including **General Dynamics** and **BlackRock**.

This week all eyes will be on the next meeting of the

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# Fresh Off Its IPO, Arm Faces Hurdles

By Asa Fitch
And Corrie Driebusch

**Arm** has become one of the world's most important chip companies by supplying essential semiconductor designs in mobile phones. Now it faces the challenge of growing beyond its dominance there without making its existing customers upset.

The British company made its market debut last week, rising 19% over its first two days of trading. To meet investors' high expectations, Arm, whose circuits are in almost all smartphones, must expand into other electronic devices where it has less of a foothold, capture surging demand for chips that process artificial-intelligence calculations and manage growing geopolitical tensions centered on China.

With its initial public offering, the largest of the year so far, Arm must perform a tricky dance for a company that has long been seen as a neutral supplier of designs for chips that doesn't itself make them. Its customers include many companies that compete with each other, such as smartphone makers **Apple** and **Samsung** and chip makers **Qualcomm** and **Advanced Micro Devices**.

"It's really hard to find an area where we do not participate, so by definition we have to figure out how to play nice with others because we're de-

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# Office Market Displays Life in San Francisco

By Peter Grant

San Francisco's beleaguered office market, the hardest hit of any in the U.S. since 2020, is beginning to display flickers of life.

Technology companies' rapid adaptation of remote work, along with an increase in crime and other quality-of-life concerns, hollowed out San Francisco's business district. Vacancy rates soared to new highs, while building values plummeted.

Now San Francisco's office market is seeing progress for the first time since the onset of the pandemic. Company searches for office space in the city are the highest they have been in years. Firms in the growing artificial-intelligence industry are leasing large blocks of space, signaling that the city's appeal as a tech hub hasn't evaporated.

After a long stretch when the city's office buildings couldn't attract buyers even at cut-rate prices, sales are slowly materializing. Investors have purchased or agreed to purchase five major office towers in recent months, already making 2023 the most active year for sales since 2019.

Office transactions are resuming largely because some sellers are at last surrendering, accepting prices that would have been laughable four years ago. A local investment group, for example, pur-

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DIMITRIOS KAMBOURIS/GETTY IMAGES

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# Success of M&A Deals Is A Coin Toss for the Buyers

By Ben Dummett

Does M&A work? The latest research says it's a tossup.

Business-school students are often taught that successful mergers and acquisitions are a long shot. One influential Harvard Business Review article, dating from 2011, says a range of studies show roughly 70% to 90% of deals fail to create value for the buyer.

And many investors worry that takeovers are more reliably lucrative for investment banks—which LSEG says earned some $13.1 billion in M&A fees in the first half of this year—than for the acquiring companies and their shareholders.

But more recent research from academics and consultants puts the success rate closer to even. Companies that do frequent smaller deals, as well as making bigger bets, tend to outperform, advisers say. That is because they hone their ability to identify targets, integrate those businesses and reap the intended financial benefits.

Companies should always weigh up deal making against alternative uses of funds, said Barry Weir, Citigroup's co-head of European mergers and acquisitions.

"If the risk-adjusted return from M&A is higher than the benefits from returning cash to shareholders or some other lower-risk alternative, then it makes sense," Weir said. "If it doesn't meet this hurdle then you shouldn't be doing M&A."

Since the global financial crisis, stock in companies doing deals valued at $100 million or more on average has beaten peers 53% of the time, said Naaguesh Appadu, a senior research fellow at the Bayes Business School of City, University of London who tracks this metric closely.

Deal making can help companies boost sales and profit faster than would otherwise be possible. Buyers can gain customers by moving into new locations or by adding new products and services, and can cut

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## BUSINESS & FINANCE

# Barrymore Halts Recording Show Until Writers Strike Is Resolved

By Ginger Adams Otis And Joe Flint

Television host Drew Barrymore said Sunday she will delay the show's premiere after facing backlash for recording new episodes of her daytime show amid a monthslong writers' strike.

The show was set to return to the air Monday. Barrymore said she will now wait until the industry's labor issues with the Writers Guild of America are resolved.

"I have no words to express my deepest apologies to anyone I have hurt and, of course, to our incredible team who works on the show and has made it what it is today," Barrymore wrote on Instagram. "We really tried to find our way forward. And I truly hope for a resolution for the entire industry very soon."

CBS Media Ventures, which produces "The Drew Barrymore Show," said in a statement Sunday that it supports Barrymore's decision.

"[We] understand how complex and difficult this process has been for her," the statement said.

CBS also said Sunday it will pause the season premiere of "The Talk," which was due to air Monday. Another daytime talk show, "The Jennifer Hudson Show," also opted to delay its Monday season premiere.

ALEXI ROSENFELD/GETTY IMAGES

Unionized writers and actors, both on strike, demonstrated outside 'The Drew Barrymore Show' in New York last week.

The reversals are a sign of the far-reaching impacts the writers' strike, along with one involving actors, are having across the entertainment industry, even in areas that possibly could resume work. It also highlights the power that striking actors, writers and their fans wield in an industry trying to weigh union solidarity against the need to restart projects so crew and other workers get paid.

Barrymore, who has three union writers on her show, resumed taping in New York last week. Striking workers picketed outside the studio in protest. The National Book Foundation, which presents the annual National Book Awards, rescinded its invitation to Barrymore to host the event.

At the time, Barrymore said that she owned the choice to go back to work despite the labor dispute and that she hoped it would bring people together.

The last season of her show finished taping in April, before the strike began. In May, she dropped out of hosting the MTV movie awards in an act of solidarity.

The WGA called for an industry strike in May, shutting down most writers rooms for movies and TV shows. Productions went dark, including daytime and late-night talk shows that depend on fast-thinking writers to make jokes out of the day's news.

Talk and variety shows operate under a different labor agreement than the one for movies and scripted television shows.

Other shows, such as ABC's, "The View," have continued during the strike and some are planning to return for the fall television season. There will be a shortage of guests for such shows as actors can't go on shows to promote films or television shows.

# *City's Office Market Has Signs of Life*

*Continued from page B1*

chased 350 California St. for $61 million, or about a fifth of what the building was valued at before the pandemic. Other recent sales have gone for half or less of the office property's prepandemic value.

As painful as those deals are to the sellers—and to other San Francisco office owners whose property values will reflect the recent fire sales—investors and landlords said periods of capitulation are the critical first steps toward recovery of real-estate markets that have been in free fall.

These first few sales are helping determine the value of San Francisco's office stock. That knowledge tells landlords which price tags to put on their properties if they want to sell. It informs investors of how big a discount to expect.

The recent sales activity "is part of the adjustment that we've been waiting for," said Ted Egan, San Francisco's chief economist. "The market-moving is healthy."

The new valuations are helping reset office rents, now that tenants and brokers know how far the new owners can cut rents and still make a profit. A venture of **Swig** Co. and **SKS Partners**, which acquired 350 California St., have set asking rents in the range of $50 to $70 a square foot. Before the pandemic, asking rents for comparable space were around $90 a square foot, said Connor Kidd, Swig's chief executive.

Others are taking advantage of deeply discounted sales prices to spruce up their new purchases. K. Cyrus Sanandaji, managing principal of **Presidio Bay Ventures**, recently acquired the office tower 60 Spear St. in the city's financial district for about $41 million, or some 62% less than it sold for in 2014.

That low price will enable Presidio to add such amenities as a rooftop restaurant and bar and a fitness center to the building, Sanandaji said.

San Francisco office landlords charged some of the highest rents in the country for decades. Even before the pandemic, some businesses felt compelled to relocate to cheaper cities, including Austin, Texas, and Nashville, Tenn. Now rent levels have fallen to the point that some tenants who were priced out of the city can afford space.

"When prices come down, it makes San Francisco competitive again," said Nigel Hughes, senior director of the data firm CoStar Group.

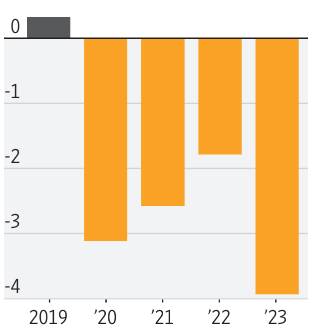
San Francisco office brokers said that companies have search requests for 4.5 million square feet of office space, compared with 2.5 million square feet in January.

Overall this year, searching activity for San Francisco office space has increased by 40% from last year, according to the data firm VTS. The number of tenants looking for large blocks of space 50,000 square feet and above has more than doubled, VTS said.

Much of the demand is from the AI business. Six such companies, including **Hive AI** and **Hayden AI**, have leased a total of about 150,000 square feet, according to CoStar.

Two other AI companies are close to signing the largest office leases ever for the sector, according to brokers. **Anthropic** is close to subleasing the former Slack headquarters building, and the ChatGPT developer, OpenAI, is negotiating with **Uber Technologies** to sublease about 200,000 square feet of its space, these brokers said. Those two lease signings would help mop up some of the more than 12 million square feet of the city's sublease office space available, the highest amount ever for San Francisco.

**Change in occupied-office space in San Francisco, in the first half of each year**




Source: CoStar Group

San Francisco's office market isn't in recovery mode yet. The city's office vacancy rate stands at a record level of more than 25%. It is likely to climb higher as businesses keep shedding space under hybrid workplace strategies, according to Derek Daniels, regional research director for Colliers.

Office rents are likely to fall further. The new buyers of San Francisco towers can afford to charge rents that undercut the rest of the market and still be profitable. Unable to compete with the lower rents, more owners will likely capitulate and join the list of sellers willing to take big losses.

Sales at distressed prices are poised to continue. North Park, an office complex formerly known as Embarcadero Center, is on the market with an asking price of around $90 million from the owner, **Blackstone,** and its lenders including **ING Groep**, said people familiar with the matter. Blackstone bought the property for $245 million in 2018.

"We effectively wrote this property off last year and are working collaboratively to exit this investment," a Blackstone spokeswoman said.

Higher mortgage rates, meanwhile, continue to pressure owners of even fully leased office buildings. An extended period of economic uncertainty will probably persuade many property owners to give up.

"Almost every week there's another building that's coming delinquent on its loan," said Hughes of CoStar.

Brokers said that plenty of investors are ready to buy in San Francisco at these steeply marked-down prices. Each of the recent fire-sale deals attracted more than 10 bidders, according to Kyle Kovac, executive vice president at commercial real-estate services firm CBRE.

SHELBY KNOWLES FOR THE WALL STREET JOURNAL

A sale of 350 California St. in San Francisco brought $61 million, a fifth of its pre-pandemic value.

# *Fall TV Will Look Different*

*Continued from page B1*

that are typically made with a longer lead time than live-action programs.

At **Paramount Global**'s CBS, fall offerings include some long-running reality franchises and old episodes of "Yellowstone," which has never been broadcast on the network. CBS will air the first international edition of the "NCIS" franchise, which was produced in Australia.

Data on the share of new scripted content on each network in prior years is based on a Wall Street Journal analysis of scheduling data from TV ad-measurement company iSpot.tv.

Later in the fall, the network plans to roll out scripted content that will be new for CBS viewers, including the U.K. version of the sitcom "Ghosts" as well as the drama "SEAL Team" from the Paramount+ streaming platform.

At Fox, weeknight prime time this fall is full of reality and game shows, such as "Hell's Kitchen" and "Celebrity Name That Tune." The only new scripted content scheduled is animated fare on Sunday nights.

Fox's fall prime-time programming typically includes the end of an afternoon National Football League game and postgame programming.

NBC is home to the hit vocal-competition show "The Voice," which runs on Monday and Tuesday nights and isn't affected by the strikes. Instead of new seasons of long-running scripted franchises such as "Law & Order" and "Chicago," NBC is showing reruns.

PETER KRAMER/NBC.GETTY IMAGES

NBC is showing reruns of franchises such as 'Law & Order.'

NBC has five new scripted dramas planned, including Canadian import "Transplant."

The network adopted a more flexible scheduling process during the pandemic, said Jeff Bader, president of program planning and strategy for NBCUniversal Entertainment's program scheduling and research. It ordered some shows early and in bulk as a strike precaution. "Quantum Leap" stayed in production after it finished filming its debut season, which aired last fall.

"We are going to miss not having the Dick Wolf shows on," said Bader, referring to new shows from the "Law & Order" and "Chicago" executive producer. "But as far as viewers are concerned, those will come on eventually and we have good stuff for them in the meantime."

ABC's lineup is heavy on reality and game-show fare, including the debut of "The Golden Bachelor," featuring a 70-year-old. It has yet to announce which shows will appear at the start of the week.

CW viewers will find original, scripted content that is new to the U.S. but premiered in other markets, such as Canadian show "Son of a Critch."

The decision to air those shows was rooted in their affordable price, rather than the strikes, and was made well before productions shut down, said Brad Schwartz, president of entertainment at the CW. The network asks how it can do more with less and licenses overseas content that executives think viewers will enjoy, Schwartz said. "None of those decisions were made because of a strike," he said.

Among the major streaming shows that were so far delayed by the strikes are **Netflix**'s "Stranger Things," Max's "White Lotus" and "Euphoria" and Showtime's "Yellowjackets."

For now, the streaming pipeline hasn't totally run dry because some content was completed and awaiting release. In August, Hulu released Season 3 of its "Only Murders in the Building" and Showtime released the final season of "Billions."

Overall, major streaming services released 91 U.S.-produced scripted TV seasons during the strike-affected months of May through August, according to research firm Ampere Analysis, down from 111 during the same period last year.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BUSINESS NEWS

# A Map Got ‘Barbie’ Banned in Vietnam

Blockbuster movie’s map leads studios to weigh how to avoid geopolitical quarrels

BY ERICH SCHWARTZEL

Early last year, on a soundstage outside London, the world of “Barbie” took shape, a candy-colored expanse of mansions, convertibles and palm trees.

Among its hundreds of props: a crudely drawn map of the world.

It appears on screen briefly, in a scene in which Margot Robbie’s Barbie is instructed to leave her land of beach days and dance-party nights for “the real world.”

The map is more sketched land blobs than accurate cartography, but it led to a collision between Hollywood and Chinese politics, turning the early global rollout of **Warner Bros. Discovery**’s highest-grossing movie ever into a geopolitical quagmire.

A small collection of dashes decorates the image, including eight off the eastern coast of a mass labeled “Asia.”

Viewers in some Asian markets interpreted that sketch as representing a controversial Chinese maritime border claim, and yet another American entertainment industry capitulation to China. Vietnam officials banned it in their country, and the Philippine government ordered the image be blurred.

The story—previously untold—of how the map was designed, appeared on screen and broadcast around the world is one of more mundane origins, people involved in making the film said, that soon ballooned beyond the control of the “Barbie” production or its home studio.

The prop, in a film that has grossed $1.4 billion globally, has spurred conversations within Warner Bros. Discovery—and other studios—about how to avoid potential geopolitical brouhahas in the future.

## ‘Barbie’ world

A small graphics team helped construct the “Barbie” world in 2022. The artist who created the map wanted it to look like a child’s sketch, according to people involved in the production.

A team of clearance specialists in Los Angeles reviewed each prop during production, monitoring for copyright concerns, infringement liabilities or other sensitivities, said employees who worked on the film. The “Barbie” production submitted more than 400 designs for approval—among them, the map. The map’s designers included reference materials for the clearance department, showing how they had landed on the aesthetic, some of the people said.

“The map in Barbie Land is a childlike crayon drawing,” said a Warner Bros. spokeswoman. “The doodles depict Barbie’s make-believe journey from Barbie Land to the ‘real world.’ It was not intended to make any type of statement.”

## Dangerous dashes

Government officials in Vietnam didn’t see it that way. They saw the dotted line as a demarcation known as “the nine-dash line,” referring to a claimed maritime border that China insists gives it claim to a vast swath of the South China Sea. Other countries and a United Nations tribunal have rejected China’s claim, including Vietnam.

To viewers troubled by the line, it appeared that Warner Bros. Discovery was acquiescing to China’s territorial claims to avoid alienating the country, which is the world’s No. 2 box-office market. Censors there regularly reject movies with themes and images of which they disapprove. Outcry followed in the Philippines.

Over the past two decades, China’s box office has become a critical source of revenue for studios—but its 1.4 billion consumers are only accessed after a film passes Communist Party censorship approval that already governs how Hollywood makes its biggest movies.

The Warner Bros. clearance department had flagged problematic maps in the past. In the 2018 killer-shark flick “The Meg,” a shot of a legitimate map was replaced with fictitious islands to avoid South China Sea issues altogether, said an employee involved in that film. “The Meg” ended up becoming a hit in China, collecting $153 million.

The “Barbie” map was approved without incident. Employees in the clearance department didn’t see it as having the resonance or purpose of a more formal map, such as the one in “The Meg.” No one, they thought, could take it literally.

Vietnamese officials have been on guard for how the nine-dash line has permeated other parts of the world—most notably in Hollywood films.

The DreamWorks Animation movie “Abominable” included it in a scene, as did the action flick “Uncharted.”

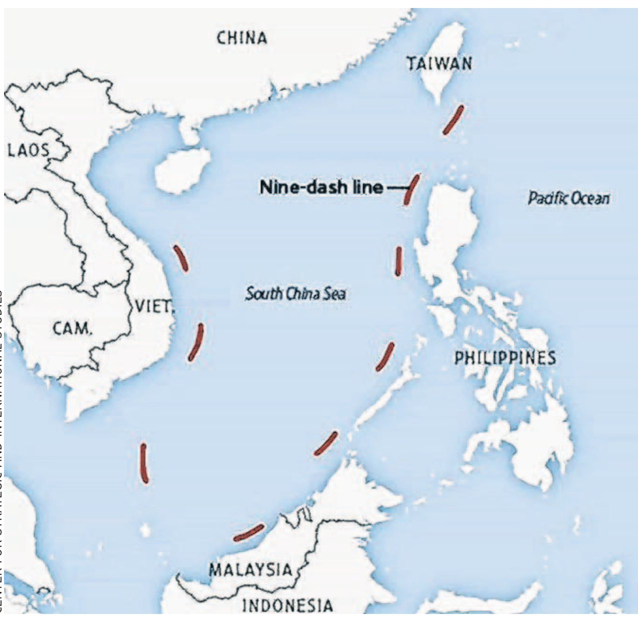
Vietnam and the Philippines banned both movies, but they were approved for release in China.

“Barbie” was approved for release in China, where it has grossed more than $35 million. Major American movies rarely collect more than a few million dollars in Vietnam or the Philippines.

In the wake of the early controversy and massive success of “Barbie” elsewhere in the world, Warner Bros. Discovery executives are now trying to determine how to avoid similar contretemps in the future, according to people familiar with the plans.

WARNER BROS/EVERETT COLLECTION

Vietnam officials interpreted the map’s dashes, circled, as representing China’s nine-dash line.



CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

The line refers to a controversial maritime border claim.

# Rock Hall of Fame Ousts Wenner Over Comments

BY NEIL SHAH

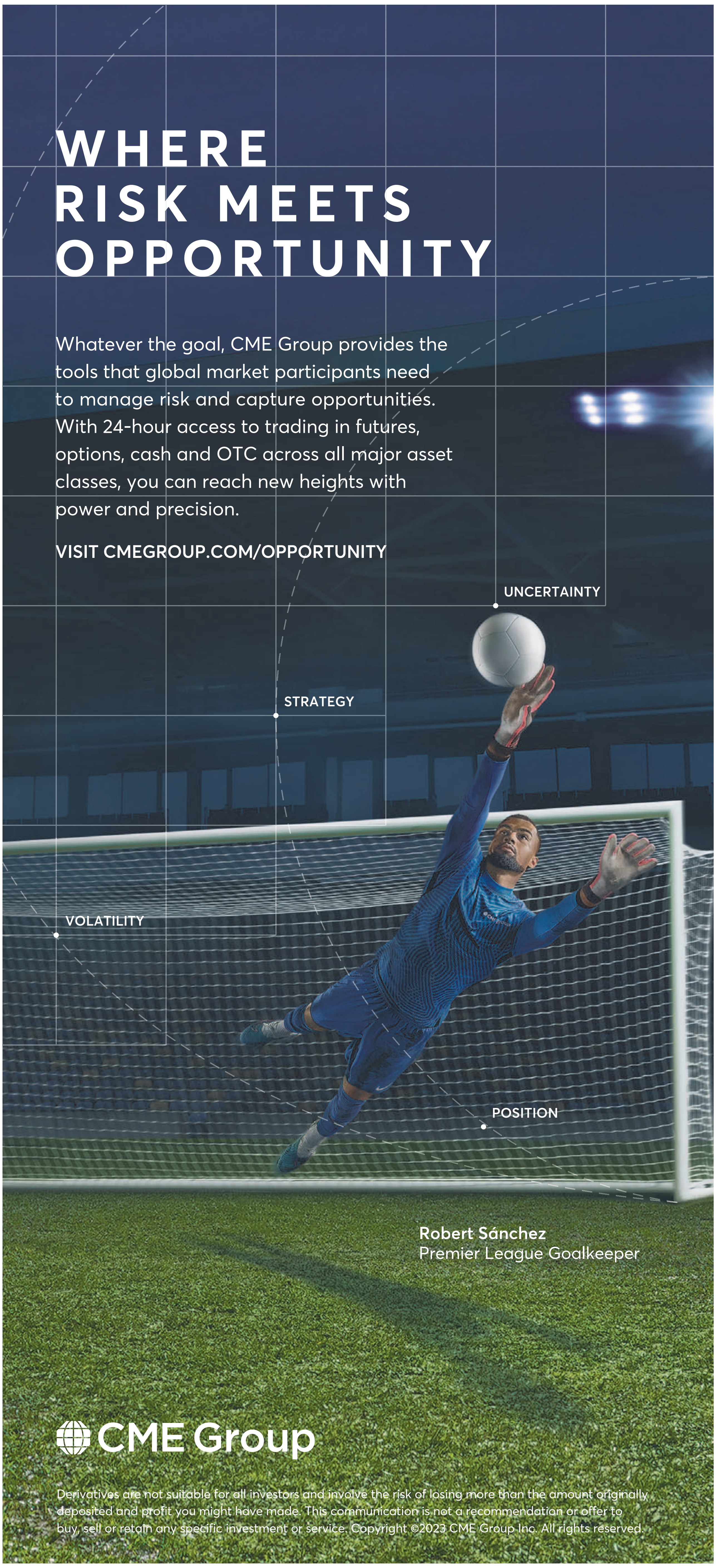
The Rock & Roll Hall of Fame removed one of its own founders, Rolling Stone magazine co-founder Jann Wenner, from its foundation board after the New York Times published comments he made in an interview that were considered sexist and racist.

In the interview, the Times’s David Marchese pressed Wenner on why his book “The Masters,” which is scheduled to be released Sept. 26 and collects interviews with seven rock icons, includes only white male performers such as Mick Jagger and Bob Dylan. Wenner responded by suggesting that Black and female stars weren’t as “articulate” as white male ones about the generational impact of rock ’n’ roll. With respect to Black artists, Wenner said they weren’t in his “zeitgeist.”

Wenner and Rolling Stone magazine couldn’t be reached for comment. Wenner helped co-found the Rock Hall in 1983 and was himself inducted in 2004.

With respect to female artists such as Joni Mitchell, Wenner said: “It’s not that they’re inarticulate, although, go have a deep conversation with Grace Slick or Janis Joplin. Please, be my guest. You know, Joni was not a philosopher of rock ’n’ roll. She didn’t, in my mind, meet that test.”

Wenner said he didn’t want to include Black or female artists simply to head off potential criticism. “I wish in retrospect I could have interviewed Marvin Gaye. Maybe he’d have been the guy,” Wenner said.



# A Green Effort Reboots an Old Steel Mill

## Form Energy's rust-powered batteries are critical piece of clean-power puzzle

By Scott Patterson

WEIRTON, W.Va.—For decades, iron ore was shipped into a sprawling steel mill on the banks of the Ohio River near Pittsburgh. Iron deliveries will resume soon at the 55-acre site, this time as a key ingredient in batteries fueled by green energy.

Instead of being turned into steel, the iron rusts when exposed to oxygen. The chemical reaction discharges electricity that can power homes and businesses for 100 consecutive hours, according to the company.

When these iron batteries are tapped out, they will be recharged with renewable power, turning the rust back into iron. The batteries are designed to absorb large amounts of electricity when the sun is shining and the wind is blowing, adding resiliency to power grids.

**Form Energy** will produce so-called long-duration batteries that are a critical piece of the clean-energy puzzle.

More than $58 billion was invested in long-duration batteries worldwide between 2020 and 2022, according to Wood Mackenzie. The Biden administration appropriated $505 million for the development of long-duration storage in the 2021 infrastructure law, and last year's Inflation Reduction Act contains substantial tax credits for long-duration battery projects.

"As we get more and more renewables, we need longer and longer durations, and that's when long-duration storage comes in," said Susan Babinec, leader of stationary battery storage research at Argonne National Laboratory.

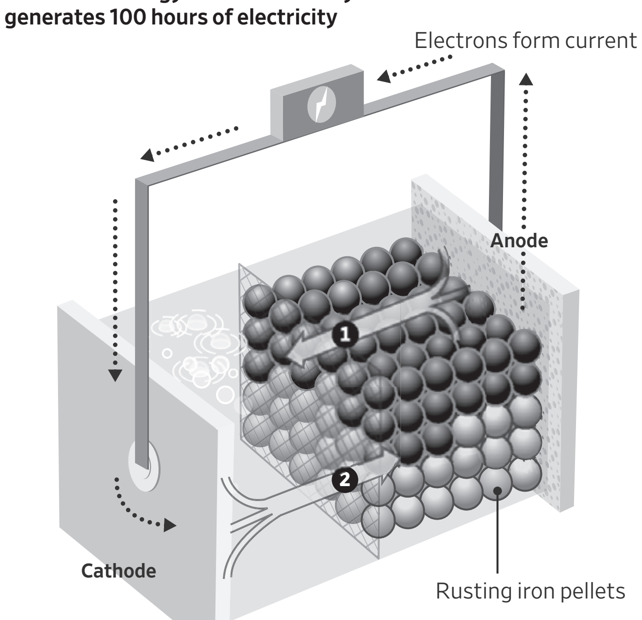
There are many kinds of long-duration storage technologies, which the Energy Department defines as 10 to 160 hours of energy discharge. Thermal storage uses renewable energy to heat bricks, rocks or molten salt and release the energy later to make electricity. Less high-tech but equally effective is pumping water up a hill and letting it flow down to generate electricity.

Form's batteries deploy an electrochemical reaction that turns iron into rust and back again.

Big money is behind Form's 400,000-square foot factory, its first full-scale plant, which is expected to double in size by 2025. Backers include **Breakthrough Energy Ventures**, a climate investment fund whose investors include Microsoft's Bill Gates and Amazon.com's Jeff Bezos. Last year, Form raised $450 million to build the facility from investors including **TPG Rise Climate** and steelmaker **ArcelorMittal**, which once owned the Weirton steel mill.

Form Energy co-founder and Chief Executive Mateo Jaramillo, who ran a battery division at Tesla and developed its Powerwall battery, recently moved to Pittsburgh from San Francisco. "This is precisely why you start a company," he said. "To make things and make sure you do it at scale. It's great to be at this stage."

**How Form Energy's iron-air battery generates 100 hours of electricity**




**1 To charge the battery**
Electricity flows in, turning rust into iron. This process emits oxygen.

**2 To generate electricity**
Oxygen flows into the battery and reacts with iron to create rust. The chemical reaction produces electricity.

Source: Form Energy

Another founder is Yet-Ming Chiang, an engineering professor at Massachusetts Institute of Technology and co-founder of battery pioneer **A123 Systems**. The goal at Form Energy was to develop batteries that are cheap, didn't catch fire, don't need scarce and costly metals like cobalt and lithium, and can produce electricity for a long time.

Form Energy landed on iron, which is plentiful, cheap and nonflammable. That allows the company to build hefty battery modules the size of a washer-dryer set. Packed together in enclosures resembling shipping containers, the batteries can discharge power for about four straight days—far longer than the standard four-hour discharge capability of lithium-ion batteries.

Each battery contains roughly 50 one-meter-tall cells made up of iron and air electrodes that enable the reactions that store and discharge electricity. The battery takes in oxygen and converts iron to rust. The process produces electricity. When electricity is plentiful, it is used to reverse the process and turn rust back into iron, releasing oxygen.

A one-megawatt system can take up about half an acre of land, according to Form Energy. The company says its batteries can store energy at less than one-tenth the cost of lithium-ion battery technology.

Weirton's tumbledown steel mill once provided work for more than 10,000 people before the plant stopped producing steel in the mid-2000s. The tiny town of about 18,000 people sits astride the former mill, whose defunct pipes and cables snake among its streets and buildings. The mill at its peak had four blast furnaces that could produce thousands of tons of steel a day.

The $760 million battery factory rising from the mill's ashes will employ about 750 workers once completed, providing a mean salary of $63,000. Still, it represents a blooming industrial transformation in Appalachia and elsewhere in the U.S. fueled by the Biden administration's Inflation Reduction Act, the 2021 infrastructure act and last year's Chips Act.

Jaramillo said the passing of the Inflation Reduction Act made it clear that the entire electric industry was shifting into high gear. Form Energy has been able to move faster and at a greater scale as utilities line up to use its batteries, he said.

As of mid-July, more than 270 clean-energy projects have been announced in the U.S., with investments totaling $130 billion, since the Inflation Reduction Act was passed, according to Bank of America. Spending on manufacturing construction has doubled since late 2021, according to the bank. Manufacturing employment in the U.S., has reached its highest level since 2008, according to the Federal Reserve Bank of St. Louis.

Much of that infrastructure spending is coming to Republican-led states such as West Virginia. Down the Ohio River from Weirton, in Ravenstown, W.Va., a company owned by Warren Buffett's **Berkshire Hathaway** is constructing a titanium factory that will be powered by a giant solar and battery microgrid. The project will also produce rechargeable batteries made by **Our Next Energy**, a Michigan energy-storage company.

Form Energy, which is based in Somerville, Mass., is in talks with utilities across the U.S., according to Jaramillo. Earlier this year, Form Energy agreed to provide a battery system to **Southern** Co.'s Georgia Power utility, which is expected to come online as early as 2026, subject to regulatory approval. The project will have the ability to power between 6,000 and 13,000 homes for several days. The company also is providing batteries to **Xcel Energy** and Minnesota's **Great River Energy**.

# *M&A Deal Success Is Coin Flip*

*Continued from page B1*

costs by eliminating overlapping operations.

The risk is that the promised financial benefits don't cover the often hefty premium paid for a target.

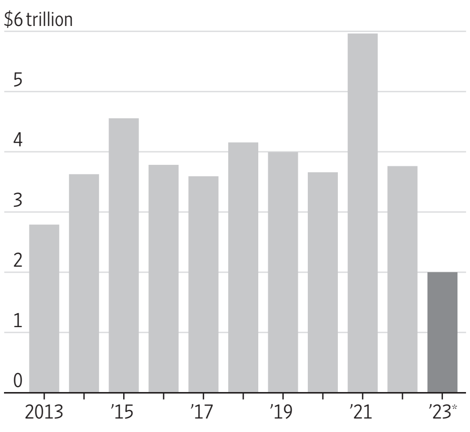
Companies can encounter unanticipated delays, regulatory pushback or extra costs; new products can fail to meet expectations—and key employees can walk out. Big deals also risk distracting top executives from their day jobs. Integrating the target's operations is often easier said than done and can take longer than anticipated.

One serial acquirer is **Thermo Fisher Scientific**, which sells lab equipment, chemicals and tests. In 2021, the Waltham, Mass., company struck a $17.4 billion deal for PPD, a big bet investors applauded.

From six months before the deal was unveiled through the end of 2021, shortly after the deal closed, Thermo Fisher stock gained more than 43%, beating the S&P 500 index, according to FactSet. Appadu recommends looking at a buyer's shares six months ahead of a deal as a starting point for gauging its unaffected stock price.

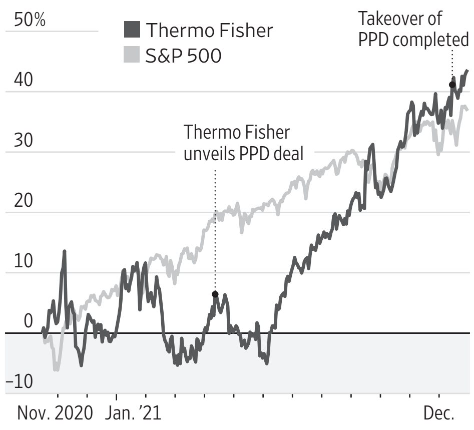
Thermo Fisher emphasizes keeping employees as key to its deal-making success and uses

**Global value of M&A deals**




*Year to date

**Share-price and index performance starting six months before a big takeover**




Sources: Dealogic (M&A deals); FactSet (performance)

CHRIS JUNG/NURPHOTO/ZUMA PRESS

**Thermo Fisher emphasizes keeping employees.**

the makeup of its management team to show its commitment to incoming staff, Chief Executive Officer Marc Casper said. That team includes executives from acquired companies, such as Chief Operating Officer Michel Lagarde.

Stock investors often have strong initial reactions to an announced deal, and that first response is often a good longer-term signal, said Mark Sirower, an M&A adviser at Deloitte Consulting. The more a stock rises, the more the market believes the buyer can justify the premium paid, by achieving planned boosts to sales and profit, Sirower said.

His data show 57% of stocks that started off with a positive performance around the deal announcement stayed ahead a year out, while almost two-thirds of the stocks that initially fell remained lower 12 months later. To measure initial performance, Sirower compares where a stock stands five trading days after a deal is unveiled with where it stood five days beforehand.

Overall, Sirower said his data showed odds of a sizable deal succeeding were "slightly less than a coin flip." His research shows that between 1995 and 2018, buyers' stock lagged behind peers 56% of the time in the year after a deal announcement.

Deals that flame out also attract a lot of attention.

In 2019, **Fidelity National Information Services** made a big bet on payments processing by buying Worldpay, in a deal that valued the target at roughly $43 billion.

Increased competition led to shrinking profit margins and underwhelming revenue growth at Worldpay. Within four years, FIS had taken a $17.6 billion noncash charge against its payments-processing business, and in July it sold a majority stake in a deal valuing Worldpay at $18.5 billion.

FIS declined to comment.

# *Arm Faces Strategic Challenges*

*Continued from page B1*

pendent on a very broad ecosystem," Arm Chief Executive Rene Haas said in an interview.

Concerns about Arm's neutrality as a supplier to the $574 billion chip industry have limited its strategy in the past. Some companies in the sector erupted in outrage three years ago in response to AI-chip giant **Nvidia**'s deal to buy the company from **SoftBank** for $40 billion.

The objections gained traction, and the U.S. Federal Trade Commission sued to block the deal, claiming that Nvidia could distort Arm's neutrality and use its control to gain an upper hand on competitors.

The deal was scrapped in February of last year and a drastic strategic revision was made. SoftBank named Haas to run the company and instead set a course for an IPO.

"When the conversation was Arm needs to be bought by this company [Nvidia], it's contrary to what drove the success of Arm in the first place," Cristiano Amon, Qualcomm's chief executive, told The Wall Street Journal last year. "That's why I think the future of Arm is independent."

The market's verdict on Arm as an independent company has so far been positive. Shares rose by about 25% in their first day of trading, sending its valuation to nearly $69 billion on a fully diluted basis.

Arm's tricky balance presents a hurdle to the company's ambitions as it tries to increase the revenue it gets from mobile-phone chips, where it has a market share of more than 99%, and expand in other types of chips.

Arm-based processors have only about a 10% market share in data-center chips, for example, a figure that is expected to grow significantly in the coming decade.

By Arm's accounting, cellphone chip sales are expected to grow by just 6.4% a year over the next couple of years, while data-center chips used in cloud computing are growing at 16.6%.

Arm has yet to reap big financial gains from the rise of AI, which has led Nvidia's stock to more than triple in value this year. Arm's revenue still comes largely from circuits in mobile phones and other electronic devices, not the powerful data-center chips where artificial-intelligence systems such as ChatGPT are built and deployed.

Haas pointed out in discussions with investors ahead of the IPO that Nvidia is using an Arm-based chip as part of a major coming AI system. "These customized chips are simply not possible without" Arm, Nvidia CEO Jensen Huang said in a video presentation shown to investors.

**Watch a Video**

Scan this code to watch a video on chip designer Arm's market debut.

# *Technology Sector Pressed*

*Continued from page B1*

Fed's rate-setting committee for insight into where monetary policy goes from here. The markets are all but certain that central-bank officials will hold rates steady Wednesday but are divided on the possibility of another increase later this year.

Cracks have emerged in the tech trade. Shares of **Apple**, the largest company in the S&P 500 by market value, have declined 6.8% this month, while **Nvidia**, the index's top performer for 2023, has retreated 11%. They are still up 35% and 200% in 2023.

The dual drops have helped pull the technology sector to a 4.3% decline in September, putting it on pace to lag behind the S&P 500 by the widest margin in a month since November 2018, according to Dow Jones Market Data. The index is down 1.3% in September.

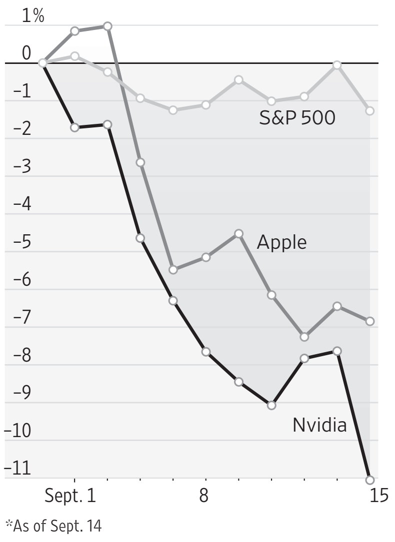
Many investors were surprised by the force with which the stock market burst out of the gate in January. Through August, the S&P 500 notched a total return, which includes dividends, of 19%.

Technology and similar market segments accounted for nearly all of it.

The technology sector, which houses Apple, Microsoft and Nvidia, contributed 59% of the index's total return through August, according to Howard Silverblatt, senior index analyst at S&P Dow Jones Indices. The consumer discretionary segment, home to **Tesla** and **Amazon.com**, and the communications services group, which includes **Alphabet** and **Meta Platforms**, accounted for a combined 36%.

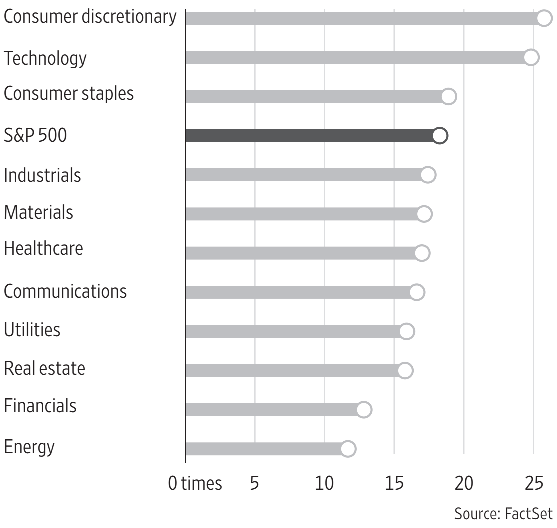
Traders have been pushing back their predictions for when the Fed moves rates below current levels. On Friday they assigned a 57% probability to a lower Fed target rate by June 2024, down from the 81% probability they assigned a month earlier, according to CME Group's FedWatch tool.

**Index and share-price performance**




*As of Sept. 14

**Price/earnings, next 12 months***




Source: FactSet

Some analysts saw clues in last week's inflation data that the Fed might keep rates elevated. Consumer prices rose in August at the fastest pace in more than a year due to an increase in energy costs. When the volatile categories of energy and food were excluded, core prices rose 0.3%, above the 0.2% predicted by economists. "It bolsters the idea that we're going to be higher for longer because there are still pockets that are pretty stubbornly high," said Julie Biel, portfolio manager and senior research analyst at Kayne Anderson Rudnick, an investment-management firm.

A prolonged period of high interest rates could spell trouble for stocks, especially those with lofty valuations. Investors who for years found few alternatives to the equity market can now earn 5% with little risk in a money-market fund. The yield on the two-year U.S. Treasury note settled Friday at 5.030%. That newfound competition could weigh on what investors will pay in the stock market for a potential slice of future company earnings.

The year's rally has left tech stocks looking expensive relative to history. The information-technology sector traded late last week at 25.5 times its expected earnings over the next 12 months, up from 20 at the end of last year and above a 10-year average of 18.5, according to FactSet.

Nvidia was priced at 31.7 times its projected earnings, down from where it started the year because analysts have lifted their profit estimates by even more than the company's tripled share price. Microsoft traded at 29.9 times forward earnings and Apple at 26.9 times.

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*for the love of progress*

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# CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

**Friday, September 15, 2023**

| Fund (SYM) | NAV | Close | Prem /Disc | 52 wk Ttl Ret |
|---|---|---|---|---|
| **General Equity Funds** | | | | |
| Adams Diversified Eq Inc **ADX** | 20.14 | 17.22 | -14.5 | 16.7 |
| Central Secs **CET** | 44.70 | 36.04 | -19.4 | 9.4 |
| CohenStrsCEOppFd **FOF** | 10.43 | 10.39 | -0.4 | 4.0 |
| EVTxAdvDivIncm **EVT** | 23.80 | 22.00 | -7.6 | -0.9 |
| GabelliDiv&IncTr **GDV** | 24.47 | 20.24 | -17.3 | 5.0 |
| Gabelli Equity Tr **GAB** | 5.02 | 5.27 | +5.0 | -1.8 |
| GeneralAmer **GAM** | 51.13 | 41.77 | -18.3 | 19.1 |
| JHancockTaxAdvDiv **HTD** | NA | 19.27 | NA | -10.6 |
| Liberty All-Star Equity **USA** | 6.30 | 6.03 | -4.3 | 8.7 |
| Liberty All-Star Growth **ASG** | 5.40 | 5.01 | -7.2 | -1.3 |
| Royce Micro-Cap Tr **RMT** | 9.79 | 8.46 | -13.6 | 8.8 |
| Royce Value Trust **RVT** | 15.15 | 13.14 | -13.3 | 0.7 |
| Source Capital **SOR** | 42.65 | 38.79 | -9.1 | 10.4 |
| Sprott Focus Trust **FUND** | 8.43 | 7.64 | -9.4 | 7.3 |
| SRH Total Return **STEW** | 16.87 | 13.49 | -20.0 | 17.4 |
| Tri-Continental **TY** | 31.23 | 27.19 | -12.9 | 7.7 |
| **Specialized Equity Funds** | | | | |
| abrdn Glb Prem Prop **AWP** | 4.07 | 3.88 | -4.7 | -6.3 |
| abrdn Global Infra Inc **ASGI** | 20.33 | 17.14 | -15.7 | 4.3 |
| Adams Natural Resources **PEO** | 27.48 | 23.28 | -15.3 | 19.0 |
| ASA Gold & Prec Met Ltd **ASA** | 17.17 | 14.35 | -16.4 | 5.9 |
| BR Enh C&I **CII** | 19.01 | 18.66 | -1.8 | 14.6 |
| BlackRock Energy & Res **BGR** | 14.95 | 13.21 | -11.6 | 22.5 |
| BlackRock Eq Enh Div **BDJ** | 8.59 | 7.60 | -11.5 | -4.4 |
| BlackRock Enh Glbl Div **BOE** | 11.31 | 9.69 | -14.3 | 11.4 |
| BlackRock Enh Intl Div **BGY** | 5.92 | 5.12 | -13.5 | 16.9 |
| BlackRock ESG Cap All T **ECAT** | 17.41 | 15.03 | -13.7 | 19.3 |
| BlackRock Hlth Sci Term **BMEZ** | 17.63 | 14.27 | -19.1 | -0.3 |
| BlackRock Hlth Sciences **BME** | 41.66 | 39.06 | -6.2 | -0.5 |
| BlackRock Innov&Gro Term **BIGZ** | 8.73 | 7.00 | -19.8 | -0.8 |
| BlackRock Res & Comm **BCX** | 10.92 | 9.44 | -13.6 | 12.3 |
| BlackRock Sci&Tech Term **BSTZ** | 20.68 | 16.56 | -19.9 | -4.9 |
| BlackRock Sci&Tech Trust **BST** | 32.66 | 31.82 | -2.6 | 7.1 |
| BlackRock Utl Inf & Pwr **BUI** | 21.63 | 20.75 | -4.1 | -4.0 |
| CLEARBRIDGE ENGY MDS OPP **EMO** | 36.55 | 31.76 | -13.1 | 23.6 |
| CLEARBRIDGE MLP&MDSTM TR **CTR** | 37.98 | 31.88 | -16.1 | 19.1 |
| ClearBridge MLP & Midstm **CEM** | 42.43 | 36.18 | -14.7 | 18.9 |
| ChnStrInfr **UTF** | 22.15 | 21.01 | -5.1 | -12.2 |
| Cohen&SteersQualInc **RQI** | 12.00 | 11.15 | -7.1 | -7.8 |
| CohenStrs Real Est and I **RLTY** | 15.45 | 13.63 | -11.8 | -0.5 |
| Cohen&Steers TotRet **RFI** | 11.25 | 10.92 | -2.9 | -8.4 |
| CohenStrsREITPrefInc **RNP** | 19.43 | 18.38 | -5.4 | -4.3 |
| Columbia Sel Prm Tech Gr **STK** | 26.94 | 28.22 | +4.8 | 18.8 |
| DNP Select Income **DNP** | 8.09 | 10.01 | +23.7 | -2.3 |
| Duff&Ph Uti&Infra Inc Fd **DPG** | 10.71 | 9.11 | -14.9 | -28.6 |
| EtnVncEqtyInc **EOI** | 16.50 | 16.07 | -2.6 | 12.3 |
| EtnVncEqtyIncoII **EOS** | 18.59 | 17.75 | -4.5 | 12.4 |
| EVRskMnDvsEqInc **ETJ** | 8.50 | 7.78 | -8.5 | -6.9 |
| ETnVncTxMgdBuyWrtInc **ETB** | 14.19 | 12.99 | -8.5 | -8.7 |
| EtnVncTxMgdBuyWrtOpp **ETV** | 13.08 | 12.40 | -5.2 | -6.9 |
| EvTxMnDvsEqInc **ETY** | 12.42 | 11.95 | -3.8 | 6.7 |
| EtnVncTxMgdGlbB **ETW** | 8.87 | 7.82 | -11.8 | -1.1 |
| EVTxMnGblDvEqInc **EXG** | 8.58 | 7.67 | -10.6 | 3.2 |
| Ecofin S&S Impact Term **TEAF** | 15.39 | 12.40 | -19.4 | -6.2 |
| First Trust Energy Inc G **FEN** | 15.81 | 13.79 | -12.8 | 1.2 |
| First Tr Enhanced Eq **FFA** | 18.29 | 17.85 | -2.4 | 18.1 |
| FirstTrEnergyInfra **FIF** | 17.47 | 15.34 | -12.2 | 9.4 |
| FirstTrMLPEner&Inc **FEI** | 9.42 | 8.10 | -14.0 | 9.4 |
| Gabelli Healthcare **GRX** | 11.12 | 9.10 | -18.2 | -8.6 |
| Gab Utility **GUT** | 3.04 | 6.70 | 120.4 | 2.4 |
| GAMCOGlGold&NatRes **GGN** | 3.94 | 3.75 | -4.8 | 22.1 |
| J Han Finl Opptys **BTO** | NA | 26.09 | NA | -17.2 |
| Neuberger Brmn Enrgy I&I **NML** | NA | 7.04 | NA | 11.6 |
| Neuberger Nxt Gen Conn **NBXG** | 12.73 | 10.67 | -16.2 | 20.4 |
| Nuv Dow 30 Dyn Overwrite **DIAX** | 15.55 | 13.72 | -11.8 | -1.3 |
| NuvCorEqAlpha **JCE** | 12.90 | 12.37 | -4.1 | 9.9 |
| Nuveen Nasdaq 100 Dyn Ov **QQQX** | 23.69 | 22.31 | -5.8 | 10.7 |
| Nuv Real Est **JRS** | 8.24 | 6.99 | -15.2 | -12.2 |
| NuvS&P500DynOvFd **SPXX** | 15.93 | 14.64 | -8.1 | -0.6 |
| NuvSP500BuyIncFd **BXMX** | 13.73 | 12.69 | -7.6 | 4.0 |
| ReavesUtilityIncome **UTG** | 26.76 | 26.84 | +0.3 | -9.3 |
| Tortoise Enrgy Infra Crp **TYG** | 36.10 | 30.28 | -16.1 | -1.2 |
| Tortoise Midstream Enrgy **NTG** | 42.30 | 35.07 | -17.1 | 5.4 |
| VDivInt&PremStr **NFJ** | 13.96 | 11.82 | -15.3 | 10.3 |
| V Art Int&Tech Opps **AIO** | 19.02 | 17.79 | -6.5 | 16.5 |
| **Income & Preferred Stock Funds** | | | | |
| CalamosStratTot **CSQ** | 14.54 | 14.55 | +0.1 | 14.1 |
| CohenStrsLtdDurPref&Inc **LDP** | 19.68 | 17.25 | -12.3 | -4.8 |
| CohenStrsSelPref&Income **PSF** | 19.31 | 17.96 | -7.0 | -1.6 |
| CohenStrsTaxAvPreSecs&I **PTA** | 19.20 | 17.68 | -7.9 | 3.9 |
| FirstTrIntDurPref&Inc **FPF** | 17.60 | 15.03 | -14.6 | -9.0 |
| JHanPrefInc **HPI** | NA | 14.90 | NA | -4.5 |
| JHPrefIncII **HPF** | NA | 14.98 | NA | -4.8 |
| HnckJPfdInco III **HPS** | NA | 13.73 | NA | -0.7 |
| J Han Prm **PDT** | NA | 10.03 | NA | -24.5 |
| LMP CapInco **SCD** | 14.93 | 12.93 | -13.4 | 10.5 |
| Nuveen Multi-Asset Inc **NMAI** | 13.37 | 11.49 | -14.1 | 8.3 |
| Nuveen Pref & Inc Opp **JPC** | 7.39 | 6.34 | -14.2 | -8.8 |
| Nuveen Fd **JPS** | 7.36 | 6.23 | -15.4 | -5.5 |
| Nuveen Pref & Inc Term **JPI** | 18.24 | 17.16 | -5.9 | -5.1 |
| Nuveen Var Rate P&I **NPFD** | 18.57 | 16.03 | -13.7 | -5.1 |
| TCW Strat Income **TSI** | 5.06 | 4.68 | -7.5 | 3.0 |
| **Convertible Sec's. Funds** | | | | |
| AdvntCnvrtbl&IncFd **AVK** | 12.13 | 10.91 | -10.1 | -4.2 |
| CalamosConvHi **CHY** | 10.42 | 11.25 | +8.0 | 5.4 |
| CalmosConvOp **CHI** | 9.87 | 10.73 | +8.7 | 7.5 |
| Ellsworth G&I Fund Ltd **ECF** | 9.33 | 8.10 | -13.2 | -4.0 |
| V Conv & Inc **NCV** | 3.70 | 3.15 | -14.9 | -2.6 |
| V Conv & Inc II **NCZ** | 3.29 | 2.80 | -14.9 | -1.0 |
| V Div Inc & Conv **ACV** | 20.47 | 19.03 | -7.0 | 2.4 |
| V Eqty & Conv Inc **NIE** | 22.85 | 20.15 | -11.8 | 13.7 |
| **World Equity Funds** | | | | |
| abrdn Emg Mkts Eq Inc **AEF** | 5.94 | 5.09 | -14.3 | 7.6 |
| abrdn Glbl Dyn Div **AGD** | 10.71 | 9.13 | -14.8 | 6.0 |
| abrdn Tot Dyn Div **AOD** | 9.26 | 7.90 | -14.7 | 10.5 |
| Allspring Gl Div Oppty **EOD** | 4.76 | 4.18 | -12.2 | -3.1 |
| BlackRock Cap Alloc Term **BCAT** | 16.92 | 14.48 | -14.4 | 12.3 |
| Calamos GloDynInc **CHW** | 6.55 | 5.83 | -11.0 | -6.2 |
| EV TxAdvGlbDivInc **ETG** | 18.26 | 16.21 | -11.2 | 3.8 |
| EtnVncTxAdvOpp **ETO** | 24.73 | 22.41 | -9.4 | 5.6 |
| FirstTr Dyn Euro Eq Inc **FDEU** | 13.58 | 12.82 | -5.6 | 31.1 |
| Gabelli Multimedia **GGT** | 3.67 | 6.03 | +64.3 | 3.5 |
| GDL Fund **GDL** | 10.07 | 7.78 | -22.7 | 4.2 |
| Highland Global Alloc **HGLB** | 11.37 | 8.53 | -25.0 | -7.1 |
| India Fund **IFN** | 16.63 | 17.28 | +3.9 | 18.0 |
| Japan Smaller Cap **JOF** | 9.03 | 7.36 | -18.5 | 22.5 |
| LazardGlbTotRetInc **LGI** | 16.75 | 14.16 | -15.5 | 2.7 |
| Mexico **MXF** | NA | 16.99 | NA | 31.0 |
| Miller/Howard High Inc E **HIE** | NA | 10.05 | NA | 3.8 |
| MS ChinaShrFd **CAF** | NA | 12.50 | NA | -13.5 |
| MS India **IIF** | NA | 22.70 | NA | 8.7 |
| MS CBRE Gl In Mg Term **MEGI** | 15.22 | 12.95 | -14.9 | -8.7 |
| New Germany **GF** | NA | 8.55 | NA | 13.5 |
| Nuveen Rl Asst Inc & Gro **JRI** | 12.97 | 10.84 | -16.4 | -6.4 |
| Templeton Dragon **TDF** | 10.30 | 8.67 | -15.8 | -12.7 |
| Templeton Em Mkt **EMF** | 13.74 | 11.78 | -14.3 | 12.6 |

| Fund (SYM) | NAV | Close | Prem /Disc | 12 Mo Yld |
|---|---|---|---|---|
| **U.S. Mortgage Bond Funds** | | | | |
| BlckRk Income **BKT** | 12.20 | 11.67 | -4.4 | 8.8 |
| Invesco HI 2023 Tgt Term **IHIT** | 7.60 | 7.22 | -5.0 | 5.7 |
| **Investment Grade Bond Funds** | | | | |
| Angel Oak FS Inc Trm **FINS** | 13.68 | 11.92 | -12.9 | 9.6 |
| BlRck Core Bond **BHK** | 10.43 | 10.16 | -2.6 | 8.6 |
| BR Credit Alloc Inc **BTZ** | 10.97 | 9.92 | -9.6 | 9.9 |
| InvescoBond **VBF** | 15.64 | 14.85 | -5.1 | 5.3 |
| J Han Income **JHS** | NA | 10.57 | NA | 4.1 |
| MFS Intmdt **MIN** | 2.86 | 2.67 | -6.6 | 0.0 |
| Western Asset Inf-Lk Inc **WIA** | 9.48 | 8.10 | -14.6 | 14.5 |
| Western Asset Inf-Lk O&I **WIW** | 10.16 | 8.62 | -15.2 | 12.6 |
| Westn Asst IG Def Opp Tr **IGI** | 16.84 | 16.06 | -4.6 | 4.9 |
| **Loan Participation Funds** | | | | |
| Apollo Senior Floating **AFT** | 15.24 | 13.38 | -12.2 | 10.1 |
| BR Debt Strategy **DSU** | 10.79 | 10.17 | -5.7 | 9.2 |
| BR F/R Inc Str **FRA** | 13.24 | 12.44 | -6.0 | 9.2 |
| BlackRock Floatng Rt Inc **BGT** | 12.87 | 11.97 | -7.0 | 9.3 |
| BS SFR 2027 T **BSL** | 14.77 | 13.23 | -10.4 | 9.1 |
| BS St Cr 2027 Tm **BGB** | 12.70 | 11.19 | -11.9 | 9.3 |
| EtnVncFltRteInc **EFT** | 13.35 | 12.43 | -6.9 | 9.6 |
| EV SenFlRtTr **EFR** | 13.14 | 12.08 | -8.1 | 9.4 |
| FT/Sr Fltg Rte Inc 2 **FCT** | 11.14 | 10.14 | -9.0 | 9.4 |
| Highland Oppty & Income **HFRO** | 13.62 | 8.39 | -38.4 | 11.2 |
| InvDYCrOpp:AX **VTA** | 11.14 | NA | NA | NA |
| InvSnrIncTr **VVR** | 4.13 | 3.88 | -6.1 | 14.1 |
| Nuveen Credit Strat Inc **JQC** | 5.86 | 5.06 | -13.7 | 10.9 |
| NuvFloatRateIncFd **JFR** | 9.20 | 8.09 | -12.1 | 10.9 |
| **High Yield Bond Funds** | | | | |
| abrdn Inc Credit Str **ACP** | 6.97 | 7.06 | +1.3 | 17.1 |
| AllianceBernGlHiIncm **AWF** | 10.67 | 9.85 | -7.7 | 8.8 |
| Allspring Income Oppty **EAD** | 7.07 | 6.20 | -12.3 | 9.7 |
| Barings Glb SD HY Bd **BGH** | 14.80 | 13.13 | -11.3 | 10.8 |
| BR Corporate HY **HYT** | 9.32 | 9.02 | -3.2 | 10.1 |
| BlackRock Ltd Dur Inc **BLW** | 13.68 | 13.07 | -4.5 | 8.9 |
| BNY Mellon Hi Yield Str **DHF** | 2.57 | 2.21 | -14.0 | 8.7 |
| Brookfield Real Asst Inc **RA** | NA | 12.19 | NA | 18.5 |
| CrSuisHighYld **DHY** | 2.12 | 1.90 | -10.4 | 9.8 |
| DoubleLine Inc Sol **DSL** | 11.84 | 11.83 | -0.1 | 12.5 |
| DoubleLine Yld Opps **DLY** | 15.29 | 14.70 | -3.9 | 9.6 |
| First Tr Hi Inc Lng/Shrt **FSD** | 12.44 | 10.91 | -12.3 | 11.3 |
| First Trust HY Opp:2027 **FTHY** | 15.44 | 13.59 | -12.0 | 11.1 |
| Franklin Univ **FT** | 7.40 | 6.71 | -9.3 | 7.5 |
| KKR Income Opportunities **KIO** | 13.22 | 12.11 | -8.4 | 10.9 |
| New Amer Hi Inc **HYB** | 7.90 | 6.66 | -15.7 | 7.7 |
| Nuveen Global High Inc **JGH** | 12.76 | 11.50 | -9.9 | 11.0 |
| PGIM Global High Yield **GHY** | 12.40 | 11.07 | -10.7 | 11.2 |
| PGIM High Yield Bond **ISD** | 13.49 | 12.11 | -10.2 | 10.2 |
| PGIM Sh Dur Hi Yld Opp **SDHY** | 17.04 | 14.89 | -12.6 | 8.4 |
| PioneerHiIncm **PHT** | 7.77 | 6.97 | -10.3 | 9.9 |
| WstAstHIF II **HIX** | 4.75 | 4.70 | -1.1 | 12.1 |
| Western Asset Hi Inc Opp **HIO** | 4.24 | 3.81 | -10.1 | 9.3 |
| Western Asset Hi Yld D O **HYI** | 12.49 | 11.65 | -6.7 | 9.8 |
| **Other Domestic Taxable Bond Funds** | | | | |
| Allspring Multi-Sector **ERC** | 9.78 | 9.44 | -3.5 | 8.8 |
| Ares Dynamic Crdt Alloc **ARDC** | 14.21 | 12.78 | -10.1 | 10.1 |
| BlackRock Mlt-Sctr Inc **BIT** | 14.28 | 14.54 | +1.8 | 10.0 |
| BlackRock Tax Muni Bd **BBN** | 17.05 | 15.60 | -8.5 | 7.8 |
| DoubleLine:Oppor Crdt Fd **DBL** | 14.43 | 14.43 | 0.0 | 9.2 |
| EVLmtDurIncm **EVV** | 10.35 | 9.17 | -11.4 | 11.8 |
| Franklin Ltd Dur Income **FTF** | 7.09 | 6.16 | -13.1 | 11.5 |
| J Han Investors **JHI** | NA | 12.51 | NA | 7.2 |
| MFS Charter **MCR** | 6.65 | 6.00 | -9.8 | 0.0 |
| NuvCorePlusImpact **NPCT** | 11.31 | 9.49 | -16.1 | 11.3 |
| Nuveen Taxable Muni Inc **NBB** | 16.35 | 14.95 | -8.6 | 6.1 |
| PIMCO Corp & Inc Oppty **PTY** | 10.63 | 13.77 | +29.5 | 11.1 |
| PIMCO Corp & Inc Strat **PCN** | 10.96 | 13.74 | +25.4 | 10.8 |
| PIMCOHiIncoPHK **PHK** | 4.40 | 4.62 | +5.0 | 11.7 |
| PIMCO IncmStrFd **PFL** | 7.57 | 7.81 | +3.2 | 12.4 |
| PIMCO IncmStrFd II **PFN** | 6.68 | 6.67 | -0.1 | 12.5 |
| Putnam Prem Inc **PPT** | 3.77 | 3.49 | -7.4 | 8.8 |
| Western Asset Dvsfd Inc **WDI** | 15.24 | 13.66 | -10.4 | 11.4 |
| **World Income Funds** | | | | |
| abrdn AP IncFd **FAX** | 3.01 | 2.62 | -13.0 | 12.6 |
| MS EmMktDomDebt **EDD** | 5.40 | 4.66 | -13.7 | 6.3 |
| PIMCO Dynamic Income **PDI** | 16.78 | 17.50 | +4.3 | 18.2 |
| PIMCO Stratg Inc **RCS** | 4.22 | 5.48 | +29.9 | 11.1 |
| Templeton Em Inc **TEI** | 5.61 | 4.91 | -12.5 | 11.1 |
| Templtn Glbl Inc **GIM** | 4.39 | 3.98 | -9.3 | 8.9 |
| WstAstEmergDebt **EMD** | 10.02 | 8.74 | -12.8 | 10.1 |
| Western Asset Gl Cr D Op **GDO** | 12.70 | 11.96 | -5.8 | 9.9 |
| **National Muni Bond Funds** | | | | |
| AllBerNatlMunInc **AFB** | 11.91 | 9.94 | -16.5 | 4.1 |
| BlckRk Inv Q Mun **BKN** | 12.56 | 10.61 | -15.5 | 4.9 |
| BlackRock Muni 2030 Tgt **BTT** | 23.03 | 20.00 | -13.2 | 3.4 |
| BlackRock Muni **BFK** | 11.20 | 9.43 | -15.8 | 4.2 |
| BlackRock Muni II **BLE** | 11.58 | 9.76 | -15.7 | 4.5 |
| BlckRk Muni Inc Qly **BYM** | 12.16 | 10.25 | -15.7 | 4.6 |

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## CLASS ACTION

**Below is a Summary Notice of a proposed partial class action settlement** reached in a class action lawsuit pending in the United States District Court for the District of New Jersey known as ***Lincoln Adventures, LLC, et al. vs. Those Certain Underwriters at Lloyd's, et al*. A more detailed version of this Notice is contained in a Long-form Notice posted on the Settlement website at www.SyndicateSettlement.com. You are encouraged to read the Long-form Notice for a more in-depth explanation of the proposed partial settlement and your rights as they relate to the Settlement.**

**IF YOU PURCHASED INSURANCE THROUGH CERTAIN SYNDICATES AT LLOYD'S, LONDON DURING THE PERIOD JANUARY 1, 1997, THROUGH JUNE 15, 2023, YOU COULD GET MONEY FROM A PARTIAL CLASS ACTION SETTLEMENT THAT MAY AFFECT YOUR RIGHTS.**

A proposed partial class action settlement has been reached with some, but not all, of the Lloyd's Syndicates who are Defendants in the case and sold insurance to policyholders in the United States (the "Settlement"). Plaintiffs assert causes of action against the Defendants for violation of the Racketeer Influenced and Corrupt Organizations Act, civil conspiracy, and unjust enrichment based on allegations that Defendants engaged in a deceptive scheme to conceal the lack of competition in the Lloyd's Market. The Settling Defendants deny the allegations made against them.

The Syndicates that have settled are Syndicate Nos. 510, 1084, 1096, and 1245 (the "Settling Defendants"). The Syndicates who remain Defendants in the case, and who have not settled, are Syndicate Nos. 0727, 1003, 2003, 2020, 2488, and 2791 (the "Non-Settling Defendants"). The case will continue to be litigated against the Non-Settling Defendants.

**WHAT ARE YOUR LEGAL RIGHTS AND IMPORTANT DEADLINES**

If you do not want to be legally bound by the Settlement, you must exclude yourself in writing from the Class by **November 23, 2023**. The steps you must follow to be excluded are described in the Long-form Notice, which is available at **www.SyndicateSettlement.com**. You can also obtain a copy of the Long-form Notice by mail or email by calling the toll-free number at 1-877-298-4134 between the hours of 8 a.m. and 5 p.m. Central Time. If you do not exclude yourself, but instead stay in the Class, you may object or comment on the Settlement, the Plan of Allocation, the application for attorneys' fees and expenses, or service awards to the class representatives by **November 23, 2023**. The procedure on how to object or comment is described in the Long-form Notice at **www.SyndicateSettlement.com**.

The Court scheduled a Fairness Hearing for **December 14, 2023, at 11:30 a.m. Eastern Time**, at which the Court will consider whether to approve the Settlement, the Plan of Allocation, an award of attorneys' fees and expenses, and service awards for the class representatives. The hearing will take place in Courtroom 5 in the United States Courthouse located at Martin Luther King Building and U.S. Courthouse, 50 Walnut Street, Newark, New Jersey 07101. The Court may choose to change the date and/or time of the hearing (or decide to conduct it virtually) without further notice of any kind other than on the settlement website and the Court's docket available at **http://ecf.njd.uscourts.gov**. If you plan to attend the hearing, you should confirm the date and time by checking the website at **www.SyndicateSettlement.com** or by calling the toll-free number at 1-877-298-4134. The Court at the hearing will consider objections that have been properly made by Class Members. If the Court finds the Settlement to be fair, reasonable, and adequate, it will approve the Settlement. You may choose to attend the hearing, either in person or through an attorney hired at your own expense, but attendance is not required. If you choose to attend the hearing and intend to make a presentation to the Court, you or your attorney must follow the procedures set forth in the Long-form Notice at **www.SyndicateSettlement.com**.

**A NOTICE OF INTENTION TO APPEAR MUST BE RECEIVED BY THE COURT AND THE COUNSEL IDENTIFIED BELOW NO LATER THAN NOVEMBER 23, 2023.**

If the Court approves the Settlement, then the Settling Defendants will be dismissed from the case. Class Members who have not properly requested exclusion from the Class will be deemed to have released the Settling Defendants from all claims related to the case and will not be able to sue the Settling Defendants for any of the conduct that was the subject of the case. The full text of the Release is set forth in the Long-form Notice at **www.SyndicateSettlement.com**.

**WHO IS INCLUDED IN THE CLASS**

The Settlement affects members of the Class, which are with certain limited exceptions, all persons and entities in the United States who, during the period **January 1, 1997, through June 15, 2023 (the "Class Period")**, purchased or renewed a contract of insurance (an insurance policy, not reinsurance) with any of the Defendants. The complete description of the Class is set forth in the Long-form Notice at **www.SyndicateSettlement.com**.

**WHAT DOES THE SETTLEMENT PROVIDE**

The Settling Defendants have agreed to make payments to settle the claims against them. The total amount of these payments is $7,900,000. After deducting the amounts approved by the Court for settlement and claims administration costs, attorneys' fees and litigation expenses, and service awards for the class representatives, these funds will be paid to members of the Class. The Settling Defendants will be entitled to the release and other provisions of the Settlement.

**WHO WILL RECEIVE A PAYMENT**

Payments to Class Members will be according to the Plan of Allocation, which is included in the Long-form Notice at **www.SyndicateSettlement.com**. To receive a payment, Class Members **must** submit a Claim Form by **December 21, 2023**, as more fully described in the next paragraph.

**HOW DO I RECEIVE A PAYMENT FROM THE SETTLEMENT**

To be eligible for a payment, a Class Member must submit a Claim Form on or before December 21, 2023. Claim Forms are available at **www.SyndicateSettlement.com**. Claim Forms can be requested from the Claims Administrator by calling the toll-free number at 1-877-298-4134 between the hours of 8 a.m. and 5 p.m. Central Time, or by email at info@SyndicateSettlement.com. Claim Forms can be completed online at **www.SyndicateSettlement.com**, emailed to the Claims Administrator at info@SyndicateSettlement.com, or mailed to the Claims Administrator at Syndicate Settlement, c/o A.B. Data, Ltd., P.O. Box 173075, Milwaukee, WI 53217. Each Class Member who wishes to claim part of the Settlement **must** submit a Claim Form by **December 21, 2023**. It is the responsibility of the Class Member to provide truthful and accurate information, and to update any information, including contact and address information, to the Claims Administrator, when appropriate.

**WHO ARE THE ATTORNEYS FOR THE CLASS AND THE SETTLING DEFENDANTS**

The Attorneys for the Class are:

Rachel L. Jensen
ROBBINS GELLER RUDMAN & DOWD LLP
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San Diego, CA 92101

Robert S. Schachter
ZWERLING, SCHACHTER & ZWERLING, LLP
41 Madison Avenue
New York, NY 10010

The Attorneys for the Settling Defendants are:

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Boston, MA 02108
Email: mburke@rc.com

**HOW CAN I OBTAIN ADDITIONAL INFORMATION?**

If you think that you may be a Class Member, you can obtain more information, including a copy of the Long-form Notice, the Claim Form, the Settlement Agreement, and other documents relating to the Settlement by visiting **www.SyndicateSettlement.com** or by contacting the Claims Administrator toll-free at 1-877-298-4134.

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK.**

## CLASS ACTION

**SUMMARY NOTICE OF PROPOSED CLASS ACTION SETTLEMENTS**

**If you entered into a European Government Bond Transaction from January 1, 2005 through and including December 31, 2016 ("Class Period"), your rights may be affected by pending class action settlements and you may be entitled to a portion of the settlement fund.**

This notice is to alert you to **new and additional** proposed settlements reached with UniCredit and Natixis in *In re European Government Bonds Antitrust Litigation*, No. 1:19-cv-2601 (VM) (S.D.N.Y.) and the creation of an additional settlement fund totaling $27,000,000. Together with the prior settlements with JPMorgan and State Street (collectively with UniCredit and Natixis, the "Settling Defendants"), the settlement fund total is $40,000,000. UniCredit and Natixis also agreed to provide cooperation in connection with Plaintiffs' continued prosecution of claims against the non-settling Defendants. The settlements with UniCredit and Natixis will resolve all claims that were or could have been asserted against them in the action (as detailed in the respective settlements). UniCredit and Natixis deny any liability, fault, or wrongdoing. Litigation remains ongoing against the non-settling Defendants.

The capitalized terms in these paragraphs, as well as other capitalized terms, are explained or defined below or in the (i) Stipulation and Agreement of Settlement with JPMorgan Chase Bank, N.A., J.P. Morgan Securities PLC (f/k/a J.P. Morgan Securities Ltd.), and J.P. Morgan Securities LLC (f/k/a J.P. Morgan Securities Inc.); (ii) Stipulation and Agreement of Settlement with State Street Corporation and State Street Bank and Trust Company; (iii) Amended Stipulation and Agreement of Settlement with UniCredit Bank AG; and/or (iv) Amended Stipulation and Agreement of Settlement with Natixis S.A.

The United States District Court for the Southern District of New York (the "Court") authorized this notice. The Court appointed the lawyers listed below to represent the Settlement Class:

Vincent Briganti
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San Francisco, CA 94104

**Who Is a Member of the Settlement Class?**

Subject to certain exceptions, the Settlement Class consists of all persons that purchased or sold one or more European Government Bond(s) in the United States directly from a Defendant, Deutsche Bank, or Rabobank (or a direct or indirect parent, subsidiary, affiliate, or division of a Defendant, Deutsche Bank, or Rabobank, or any of their alleged co-conspirators) from January 1, 2005 through December 31, 2016.

"European Government Bonds" means euro-denominated sovereign debt or bonds issued by European governments (*e.g.*, Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain).

If you are not sure if you are included in the Settlement Class, you can get more information, by visiting www.EuropeanGovernmentBondsSettlement.com or by calling toll-free 1-877-883-7336.

**What Is This Lawsuit About?**

Plaintiffs allege that Defendants, including UniCredit, Natixis, JPMorgan, and State Street, conspired to fix the prices of European Government Bonds in the primary and/or secondary markets.

In the primary market, Plaintiffs allege that Defendants furthered this conspiracy by agreeing to artificially inflate European Government Bond prices at auction through a process known as "overbidding" and to otherwise coordinate their bidding strategies, thereby outbidding rivals and raising the benchmark for resale in the secondary market.

In the secondary market, Plaintiffs allege that Defendants, in control of the supply of newly issued European Government Bonds, agreed to fix bid-ask spreads. This includes, Plaintiffs allege, agreeing on higher prices to charge investors for European Government Bonds. Defendants are alleged to have coordinated this scheme via online chatroom communications, where they explicitly fixed prices and bids and exchanged other sensitive, confidential information necessary to carry out the scheme.

Plaintiffs allege they were injured by these artificially inflated prices and fixed bid-ask spreads each time they transacted in European Government Bonds directly with a Defendant (or Defendant affiliate) and therefore pursue claims under the Sherman Act for themselves and on behalf of the class.

**What Do the Settlements Provide?**

To settle the claims against them (as detailed in the respective settlements), JPMorgan agreed to pay a total of $13,000,000, UniCredit agreed to pay a total of $13,000,000, and Natixis agreed to pay a total of $14,000,000. Settling Defendants also agreed to provide cooperation in connection with Plaintiffs' continued prosecution of claims against the non-settling Defendants. If the Settlements are approved, the Settlement Amount, plus interest earned and less any Taxes, Notice and Administration Costs, Court-awarded attorneys' fees and Litigation Expenses, any service awards for Plaintiffs, and any other expenses approved by the Court will be divided among all Settlement Class Members who submit valid claim forms. More information about the specific terms of the settlements can be found by visiting www.EuropeanGovernmentBondsSettlement.com or by calling toll-free 1-877-883-7336.

**Will I Get a Payment?**

If you are a member of the Settlement Class and do not opt out, you will be eligible for a payment under the settlements if you file a valid claim form. Claim forms must be submitted online at www.EuropeanGovernmentBondsSettlement.com on or before 11:59 p.m. Eastern time on **November 28, 2023 OR** mailed so that they are received by **November 28, 2023**.

**What Are My Rights?**

If you are a member of the Settlement Class and do not opt out, you will release certain legal rights against Settling Defendants and the other Released Parties, as explained in the Court's detailed notice and the Settlement agreements, which are available at www.EuropeanGovernmentBondsSettlement.com. If you do not want to be a member of the Settlement Class with respect to these Settlements, you must opt out by **November 13, 2023**. You may object to these settlements, the Distribution Plan, application for an award of attorneys' fees and Litigation Expenses, and/or service awards for Plaintiffs by **November 13, 2023**. Information on how to opt out or object is contained in the Court's detailed notice, which is available at www.EuropeanGovernmentBondsSettlement.com.

**When Is the Settlement Hearing?**

The Court will hold a Settlement Hearing at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl St., Courtroom 15B, New York, NY 10007, on **January 5, 2024** at **10:00 a.m.** to consider whether to finally approve the settlements, Distribution Plan, application for an award of attorneys' fees and Litigation Expenses, and any service awards for Plaintiffs. You or your lawyer may ask to appear and speak at the hearing at your own expense, but you do not have to.

**For more information, call toll-free 1-877-883-7336 or visit www.EuropeanGovernmentBondsSettlement.com.**

******* Please do not call the Court or the Clerk of the Court for information about the settlements. *******

## PUBLIC NOTICES

This notice is not an offer to purchase or a solicitation of an offer to sell Equity shares

LARSEN & TOUBRO

**Larsen & Toubro Limited**, L&T House, Ballard Estate, Mumbai -400 001
**Tel:** +91 22 6752 5656, **Fax:** +91 22 6752 5858
**Website:** www.Larsentoubro.com | **Email:** IGRC@Larsentoubro.com
**CIN:** L99999MH1946PLC004768 | **Company Secretary:** Mr. Sivaram Nair A

**Larsen & Toubro Limited – Buyback of Equity Shares**

Larsen & Toubro Limited (the "**Company**") has announced an offer to buy-back up to 3,12,50,000 (Three Crore Twelve Lakh Fifty Thousand) fully paid-up equity shares of face value of INR 2 each ("**Equity Shares**") of the Company at a price of INR 3,200 per Equity Share on a proportionate basis through a tender offer from the shareholders of the Company (the "**Buyback**").

The Buyback will open on Monday, September 18, 2023 and will close on Monday, September 25, 2023. The letter of offer for the Buyback along with the tender forms have been emailed to all persons who were the shareholders of the Company as on Record Date i.e., Tuesday, September 12, 2023, to the email IDs registered with the Depositories/the Company. However, in case any eligible shareholder requests a physical copy of the Letter of Offer/Tender Form, then the Company shall dispatch the same by registered post/courier to the postal address registered with the Company/Transfer Agent. The letter of offer is also available on the website of the Company at www.Larsentoubro.com, the website of Securities and Exchange Board of India at www.sebi.gov.in, on the websites of the Indian stock exchanges where the shares of the Company are listed at www.bseindia.com and www.nseindia.com, the website of the Registrar to the Buyback at www.karisma.kfintech.com and the website of the Managers to the Buyback at www.jmfl.com and www.axiscapital.co.in

Additionally, till closure of the tendering period on September 25, 2023, shareholders in the United States may call our 24-hour toll free hotline # +18335740824 (including on weekends) to address any inquiries or clarifications regarding the Buyback.

Date: September 18, 2023

for **LARSEN & TOUBRO LIMITED**
**Mr. Sivaram Nair A, Company Secretary**

## CAREERS

Van Tuyl COMPANIES

**General Manager**

Van Tuyl Companies is one of the finest and fastest growing automotive dealer groups in the nation, We are looking for a dynamic General Manager for an upcoming acquisition. West Coast large scale Mercedes Benz opportunity. You must be a hands on "people person" that can recruit, hire, motivate and direct a sales and management staff and turn them into a winning team. At Van Tuyl Companies our top priority are our PEOPLE, CSI and ESI. You will be in charge of every aspect of the dealership, including sales and gross generation, traffic management, inventory management, expense control, marketing, forecasting and staffing. You must be able to build a stable management staff. We are looking for a self starter, goal orientated take charge leader that is honest and ethical with verifiable references. You must have top level automotive dealership experience with a stable track record. You will be in charge of your own destiny with unlimited income potential. New and Used vehicle market dominance will be your primary focus, while building a strong relationship with our manufacture partner. At Van Tuyl Companies our standard for expectations are higher than normal, yes we ask a lot however the rewards are more than worthwhile. You must be the best of the best and at the top of your game. Buy in opportunity to the right person, who can prove themselves a truly dedicated partner. Please send resume, references and 3-year salary history to:
**raronson@vtcompanies.com**

## BIDS PROPOSALS

The Connecticut Department of Transportation will be conducting its annual prequalification of professional consultant firms who desire to provide services for the 2024 calendar year.

Additional information can be obtained at: www.ct.gov/dot/business/consultant/selection.

Submittals must be hand delivered by 3:00 pm on October 16, 2023 or postmarked by this date and received by October 20, 2023. No submittals will be accepted after these dates.

**Connecticut Department of Transportation**
An EO/AA/ADA Employer

## BUSINESS OPPORTUNITIES

**460 Acres Located in Lakes Region NH**
Green Mountain Shooting Preserve
Upland Bird hunt, Driven Pheasant shoots,
Sporting Clay, Club house,
Office, Kennel. Bird razing facility
**For Sale**
**$3,000,000.00**
**Call 305-522-1208 or**
**claybirds@greenmountainshooting.com**

## BUSINESS OPPORTUNITIES

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# Get a Better Grip **on the Markets**

WSJ's Take On the Week brings you the insights and analysis you need to get a leg up on the business and financial week to come. In less than 20 minutes, we cut through the noise to explain the major business and financial news that may move markets, all so you can make smarter investing decisions and take on the week with confidence. Episodes drop Sundays. Hosted by Dion Rabouin. Listen wherever you get your podcasts.

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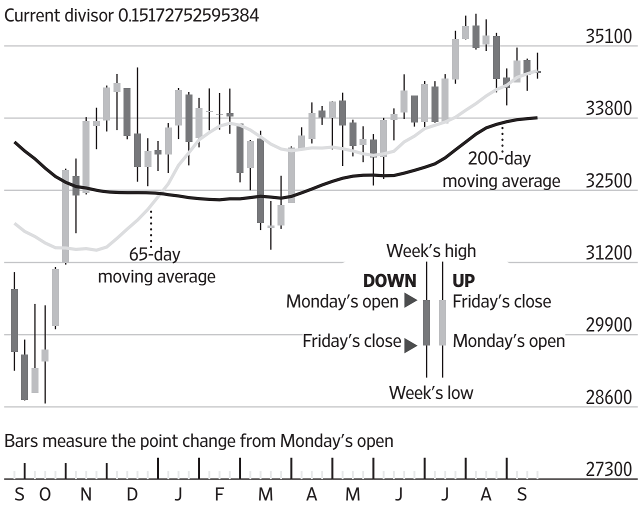
# MARKETS DIGEST

## Dow Jones Industrial Average

**34618.24** ▲41.65, or 0.12% last week

High, low, open and close for each of the past 52 weeks

| | Last | Year ago |
|---|---|---|
| Trailing P/E ratio | 25.05 | 18.15 |
| P/E estimate * | 18.98 | 16.64 |
| Dividend yield | 2.09 | 2.31 |
| All-time high | 36799.65, 01/04/22 | |

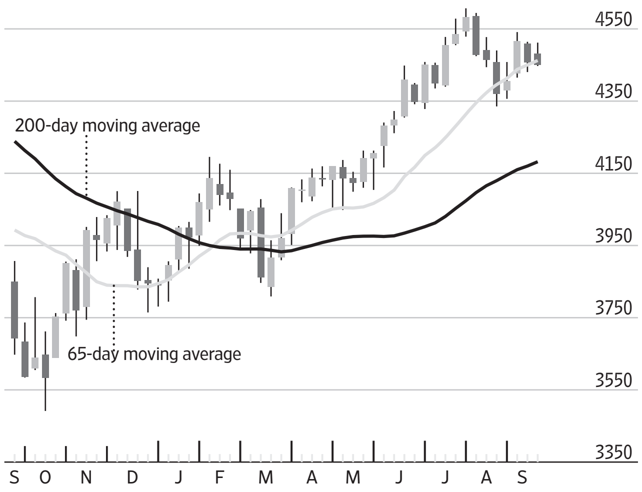



## S&P 500 Index

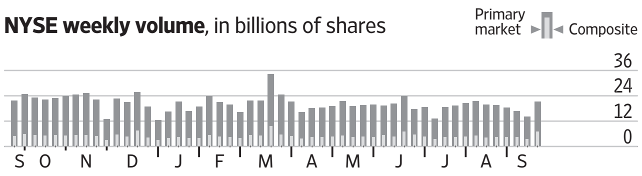
**4450.32** ▼7.17, or 0.16% last week

High, low, open and close for each of the past 52 weeks

| | Last | Year ago |
|---|---|---|
| Trailing P/E ratio * | 20.34 | 21.49 |
| P/E estimate * | 20.27 | 17.48 |
| Dividend yield * | 1.55 | 1.66 |
| All-time high | 4796.56, 01/03/22 | |




**NYSE weekly volume**, in billions of shares




*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

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## Major U.S. Stock-Market Indexes

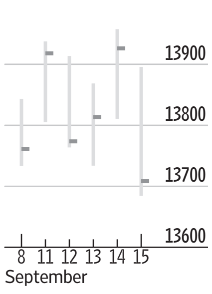
| | Latest Week High | Low | Close | Net chg | % chg | 52-Week Low | Close (●) | High | % chg | % chg YTD | 3-yr. ann. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Dow Jones** | | | | | | | | | | | |
| Industrial Average | 34977.97 | 34509.95 | **34618.24** | 41.65 | **0.12** | 28725.51 | | 35630.68 | **12.3** | 4.4 | **7.3** |
| Transportation Avg | 15445.42 | 15093.17 | **15339.43** | 131.00 | **0.86** | 11999.40 | | 16695.32 | **19.6** | 14.5 | **10.2** |
| Utility Average | 902.22 | 868.28 | **892.13** | 20.38 | **2.34** | 838.99 | | 1024.62 | **-11.9** | -7.8 | **2.9** |
| Total Stock Market | 44966.88 | 44317.53 | **44365.77** | -95.00 | **-0.21** | 36056.21 | | 45969.67 | **13.6** | 15.2 | **8.6** |
| Barron's 400 | 993.81 | 978.10 | **979.60** | -8.31 | **-0.84** | 825.73 | | 1036.97 | **9.6** | 6.4 | **10.8** |
| **Nasdaq Stock Market** | | | | | | | | | | | |
| Nasdaq Composite | 13957.57 | 13684.24 | **13708.33** | -53.19 | **-0.39** | 10213.29 | | 14358.02 | **19.7** | 31.0 | **7.0** |
| Nasdaq-100 | 15512.82 | 15173.71 | **15202.40** | -77.83 | **-0.51** | 10679.34 | | 15841.35 | **28.2** | 39.0 | **9.9** |
| **S&P** | | | | | | | | | | | |
| 500 Index | 4511.99 | 4447.21 | **4450.32** | -7.17 | **-0.16** | 3577.03 | | 4588.96 | **14.9** | 15.9 | **9.4** |
| MidCap 400 | 2595.86 | 2553.63 | **2567.33** | -7.20 | **-0.28** | 2203.53 | | 2728.44 | **7.9** | 5.6 | **10.7** |
| SmallCap 600 | 1198.11 | 1175.77 | **1186.40** | 0.90 | **0.08** | 1064.45 | | 1315.82 | **3.6** | 2.5 | **10.6** |
| **Other Indexes** | | | | | | | | | | | |
| Russell 2000 | 1868.17 | 1837.56 | **1847.03** | -4.51 | **-0.24** | 1655.88 | | 2003.18 | **2.7** | 4.9 | **6.3** |
| NYSE Composite | 16105.86 | 15878.99 | **15973.68** | 94.69 | **0.60** | 13472.18 | | 16427.29 | **9.6** | 5.2 | **7.2** |
| Value Line | 561.96 | 552.99 | **556.64** | 0.31 | **0.06** | 491.56 | | 606.49 | **4.0** | 3.8 | **5.8** |
| NYSE Arca Biotech | 5272.58 | 5170.46 | **5183.08** | -17.25 | **-0.33** | 4390.11 | | 5644.5 | **9.1** | -1.9 | **-1.3** |
| NYSE Arca Pharma | 929.73 | 914.73 | **915.35** | -1.29 | **-0.14** | 737.84 | | 925.61 | **19.3** | 5.5 | **11.1** |
| KBW Bank | 83.08 | 80.44 | **82.31** | 1.92 | **2.39** | 71.96 | | 115.1 | **-22.4** | -18.4 | **2.7** |
| PHLX§ Gold/Silver | 119.34 | 114.01 | **118.67** | 5.51 | **4.87** | 91.40 | | 144.37 | **19.0** | -1.8 | **-8.7** |
| PHLX§ Oil Service | 99.25 | 96.05 | **96.96** | 0.368 | **0.38** | 56.08 | | 98.76 | **46.1** | 15.6 | **42.6** |
| PHLX§ Semiconductor | 3607.58 | 3461.16 | **3476.39** | -89.60 | **-2.51** | 2162.32 | | 3861.63 | **35.6** | 37.3 | **16.1** |
| Cboe Volatility | 14.68 | 12.68 | **13.79** | -0.05 | **-0.36** | 12.82 | | 33.63 | **-47.6** | -36.4 | **-18.6** |

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

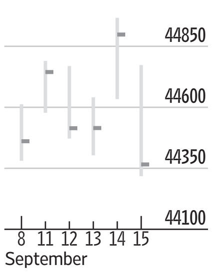
### Nasdaq Composite

▼ 53.19, or -0.39% last week




### DJ US TSM

▼ 95.00, or -0.21% last week




## International Stock Indexes

| Region/Country | Index | Latest Week Close | % chg | 52-Week Range Low | Close | High | YTD % chg |
|---|---|---|---|---|---|---|---|
| **World** | **MSCI ACWI** | 681.34 | **0.49** | 550.37 | | 707.11 | 12.5 |
| | **MSCI ACWI ex-USA** | 300.45 | **1.66** | 244.35 | | 314.69 | 6.8 |
| | **MSCI World** | 2960.98 | **0.41** | 2367.69 | | 3064.30 | 13.8 |
| | **MSCI Emerging Markets** | 984.99 | **1.14** | 842.76 | | 1052.46 | 3.0 |
| **Americas** | **MSCI AC Americas** | 1688.01 | **0.01** | 1363.36 | | 1742.64 | 15.8 |
| Canada | **S&P/TSX Comp** | 20622.34 | **2.73** | 18206.28 | | 20767.38 | 6.4 |
| Latin Amer. | **MSCI EM Latin America** | 2390.78 | **3.94** | 2027.22 | | 2570.27 | 12.3 |
| Brazil | **BOVESPA** | 118757.53 | **2.99** | 97926.34 | | 122560.38 | 8.2 |
| Chile | **S&P IPSA** | 3384.92 | **2.28** | 3021.53 | | 3629.67 | 6.7 |
| Mexico | **S&P/BMV IPC** | 51351.60 | **−2.20** | 44626.80 | | 55534.68 | 6.0 |
| **EMEA** | **STOXX Europe 600** | 461.93 | **1.60** | 382.89 | | 471.74 | 8.7 |
| | **STOXX Europe 50** | 4021.49 | **1.57** | 3310.09 | | 4079.60 | 10.1 |
| Eurozone | **Euro STOXX** | 454.21 | **1.27** | 359.45 | | 470.38 | 10.8 |
| | **Euro STOXX 50** | 4295.05 | **1.37** | 3279.04 | | 4471.31 | 13.2 |
| Austria | **ATX** | 3182.55 | **1.24** | 2647.43 | | 3557.01 | 1.8 |
| Belgium | **Bel-20** | 3712.38 | **1.55** | 3313.82 | | 3954.16 | 0.3 |
| France | **CAC 40** | 7378.82 | **1.91** | 5676.87 | | 7577.00 | 14.0 |
| Germany | **DAX** | 15893.53 | **0.97** | 11975.55 | | 16469.75 | 14.1 |
| Greece | **Athex Composite** | 1258.58 | **−0.07** | 788.46 | | 1345.95 | 35.4 |
| Israel | **Tel Aviv** | 1844.66 | **0.99** | 1707.57 | | 1981.04 | 2.7 |
| Italy | **FTSE MIB** | 28895.39 | **2.35** | 20353 | | 29645 | 21.9 |
| Netherlands | **AEX** | 741.51 | **0.33** | 630.58 | | 794.27 | 7.6 |
| Norway | **Oslo Bors All-Share** | 1502.96 | **2.55** | 1247.07 | | 1502.96 | 10.3 |
| Portugal | **PSI 20** | 6203.91 | **1.21** | 5190.28 | | 6273.94 | 8.3 |
| South Africa | **FTSE/JSE All-Share** | 74589.81 | **1.27** | 63263.94 | | 80791.36 | 2.1 |
| Spain | **IBEX 35** | 9549.70 | **1.98** | 7261.1 | | 9694.7 | 16.0 |
| Sweden | **OMX Stockholm** | 812.03 | **0.77** | 690.07 | | 886.59 | 3.9 |
| Switzerland | **Swiss Market** | 11197.72 | **2.28** | 10072.62 | | 11595.25 | 4.4 |
| U.K. | **FTSE 100** | 7711.38 | **3.12** | 6826.15 | | 8014.31 | 3.5 |
| **Asia-Pacific** | **MSCI AC Asia Pacific** | 163.92 | **1.83** | 134.3 | | 170.8 | 5.3 |
| Australia | **S&P/ASX 200** | 7279.00 | **1.71** | 6456.9 | | 7558.1 | 3.4 |
| China | **Shanghai Composite** | 3117.74 | **0.03** | 2893.48 | | 3395.00 | 0.9 |
| Hong Kong | **Hang Seng** | 18182.89 | **−0.11** | 14687.02 | | 22688.90 | −8.1 |
| India | **S&P BSE Sensex** | 67838.63 | **1.86** | 56409.96 | | 67838.63 | 11.5 |
| Japan | **NIKKEI 225** | 33533.09 | **2.84** | 25716.86 | | 33753.33 | 28.5 |
| Malaysia | **FTSE Bursa Malaysia KLCI** | 1459.03 | **0.28** | 1373.36 | | 1501.88 | −2.4 |
| Singapore | **Straits Times** | 3280.69 | **2.27** | 2969.95 | | 3394.21 | 0.9 |
| South Korea | **KOSPI** | 2601.28 | **2.10** | 2155.49 | | 2667.07 | 16.3 |
| Taiwan | **TAIEX** | 16920.92 | **2.08** | 12666.12 | | 17334.98 | 19.7 |

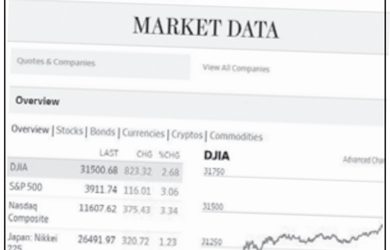
Source: FactSet; Dow Jones Market Data

## Commodities and Currencies

| | Last Week Close | Net chg | % Chg | YTD % chg |
|---|---|---|---|---|
| DJ Commodity | **1025.54** | 15.69 | **1.55** | -2.21 |
| Refinitiv/CC CRB Index | **289.61** | 5.13 | **1.80** | 4.27 |
| **Crude oil,** $ per barrel | **90.77** | 3.26 | **3.73** | 13.09 |
| **Natural gas,** $/MMBtu | **2.644** | 0.039 | **1.50** | -40.92 |
| **Gold,** $ per troy oz. | **1923.70** | 5.30 | **0.28** | 5.72 |
| U.S. Dollar Index | **105.33** | 0.24 | **0.23** | 1.75 |
| WSJ Dollar Index | **99.42** | -0.03 | **-0.03** | 2.96 |
| **Euro,** per dollar | **0.9381** | 0.0038 | **0.40** | 0.40 |
| **Yen,** per dollar | **147.85** | 0.03 | **0.02** | 12.76 |
| **U.K. pound,** in dollars | **1.24** | -0.0084 | **-0.67** | 2.36 |

| | 52-Week Low | Close (●) | High | % Chg |
|---|---|---|---|---|
| DJ Commodity | 930.59 | | 1071.61 | **-1.65** |
| Refinitiv/CC CRB Index | 253.85 | | 290.29 | **3.85** |
| **Crude oil,** $ per barrel | 66.74 | | 92.64 | **6.65** |
| **Natural gas,** $/MMBtu | 1.991 | | 7.779 | **-65.95** |
| **Gold,** $ per troy oz. | 1623.30 | | 2048.00 | **15.07** |
| U.S. Dollar Index | 99.77 | | 114.10 | **-4.04** |
| WSJ Dollar Index | 94.37 | | 105.14 | **-2.05** |
| **Euro,** per dollar | 0.8897 | | 1.0422 | **-6.04** |
| **Yen,** per dollar | 127.86 | | 150.15 | **3.44** |
| **U.K. pound,** in dollars | 1.07 | | 1.31 | **8.40** |

**Go to WSJMarkets.com for free access to real-time market data.**




## New to the Market

## Public Offerings of Stock

### IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

| Expected pricing date | Filed | Issuer/business | Symbol/ primary exchange | Shares (mil.) | Pricing Range($) Low/High | Bookrunner(s) |
|---|---|---|---|---|---|---|
| 9/19 | 8/25 | Klaviyo<br>Software-Computer, Traditional & Other. Software company engaged with an email marketing software solution. | **KVYO**<br>N | **19.2** | 25.00/ 27.00 | GS, MS, Citi, Barclays, Mizuho, W. Blair LLC, Piper Sandler, Truist Financial |
| 9/18 | 8/25 | Instacart<br>Software-E-Commerce company engaged with a same day grocery delivery platform. | **CART**<br>Nq | **22.0** | 28.00/ 30.00 | GS, JPM, BofA Securities, Barclays, Citi |

### Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

| Lockup expiration | Issue date | | Symbol | Offer price($) | Offer amt ($ mil.) | Through Friday (%) | Lockup provision |
|---|---|---|---|---|---|---|---|
| Sept. 23 | March 27, '23 | Jin Medical International | **ZJYL** | 8.00 | 10.6 | **86.0** | 180 days |
| | March 27, '23 | YanGuFang International | **YGF** | 4.00 | 12.5 | **–16.3** | 180 days |
| | March 22, '23 | CBL International | **BANL** | 4.00 | 16.5 | **–64.0** | 180 days |

Sources: Dealogic; Dow Jones Market Data

### IPO Scorecard

Performance of IPOs, most-recent listed first

| Company **SYMBOL** IPO date/Offer price | Friday's close ($) | % Chg From Offer price | 1st-day close |
|---|---|---|---|
| Neumora Therapeutics **NMRA** Sept. 15/$17.00 | 16.25 | **–4.4** | ... |
| RayzeBio **RYZB** Sept. 15/$18.00 | 24.00 | **33.3** | ... |
| SIMPPLE **SPPL** Sept. 13/$5.25 | 4.89 | **–6.9** | –0.2 |
| Courtside Group **PODC** Sept. 8/$8.00 | 2.67 | **–66.6** | –39.2 |
| Solowin Holdings **SWIN** Sept. 7/$4.00 | 2.33 | **–41.8** | –61.7 |
| Inspire Veterinary Partners **IVP** Aug. 30/$4.00 | 1.53 | **–61.9** | –50.3 |
| 99 Acquisition Group **NNAGU** Aug. 18/$10.00 | 10.33 | **3.3** | 1.7 |
| Sacks Parente Golf **SPGC** Aug. 15/$4.00 | 1.40 | **–65.0** | –95.2 |
| SRM Entertainment **SRM** Aug. 15/$5.00 | 1.61 | **–67.8** | –67.7 |
| LQR House **LQR** Aug. 10/$5.00 | 0.68 | **–86.5** | –82.7 |
| NeurAxis **NRXS** Aug. 9/$6.00 | 4.02 | **–33.0** | –33.0 |
| Fitell **FTEL** Aug. 8/$5.00 | 2.62 | **–47.6** | –48.1 |
| MIRA Pharmaceuticals **MIRA** Aug. 3/$7.00 | 3.17 | **–54.7** | –57.3 |
| Cheetah Net Supply Chain Service **CTNT** Aug. 1/$4.00 | 2.40 | **–40.0** | –65.2 |
| Hanryu Holdings **HRYU** Aug. 1/$10.00 | 6.25 | **–37.5** | –19.9 |
| SharkNinja **SN** July 31/$30.05 | 40.71 | **35.5** | –3.8 |
| ParaZero Technologies **PRZO** July 27/$4.00 | 1.18 | **–70.5** | –67.2 |
| Surf Air Mobility **SRFM** July 27/$20.00 | 2.32 | **–88.4** | –26.3 |
| Haymaker Acquisition 4 **HYAC.UT** July 26/$10.00 | 10.32 | **3.2** | 2.0 |
| Janover **JNVR** July 25/$4.00 | 1.42 | **–64.5** | –62.8 |

Sources: Dow Jones Market Data; FactSet

## Public and Private Borrowing

### Treasurys

Monday, September 18

Auction of 13 and 26 week bills;
announced on September 14; settles on September 21

Wednesday, September 20

Auction of 17 week bill;
announced on September 19; settles on September 26

Thursday, September 21

Auction of 4 and 8 week bills;
announced on September 19; settles on September 26

## A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 41.65 points, or 0.12%, on the week. A $1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $32,039, or a gain of 6.80%, on the $30,000 investment, including reinvested dividends.

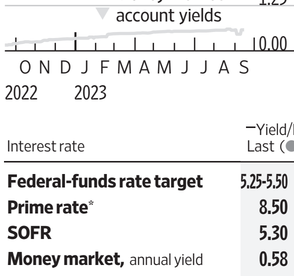
| The Week's Action Pct chg (%) | Stock price change | Point chg in average* | Company | Symbol | Close | $1,000 Invested (year-end '22) |
|---|---|---|---|---|---|---|
| 5.23 | 17.02 | 112.17 | **Goldman Sachs** | GS | $342.54 | **$1,021** |
| 4.90 | 4.00 | 26.36 | **Walt Disney** | DIS | 85.58 | **985** |
| 4.62 | 8.52 | 56.15 | **Honeywell** | HON | 193.04 | **915** |
| 4.01 | 6.32 | 41.65 | **American Express** | AXP | 163.75 | **1,120** |
| 3.46 | 4.98 | 32.82 | **JPMorgan Chase** | JPM | 148.81 | **1,134** |
| 3.07 | 4.91 | 32.36 | **Travelers** | TRV | 164.80 | **894** |
| 1.96 | 0.43 | 2.83 | **Walgreens** | WBA | 22.42 | **628** |
| 1.23 | 5.93 | 39.08 | **UnitedHealth Group** | UNH | 486.70 | **929** |
| 1.02 | 0.34 | 2.24 | **Verizon** | VZ | 33.79 | **902** |
| 0.55 | 0.89 | 5.87 | **Johnson & Johnson** | JNJ | 161.45 | **934** |
| 0.53 | 0.87 | 5.73 | **Walmart** | WMT | 164.64 | **1,175** |
| 0.50 | 1.29 | 8.50 | **Amgen** | AMGN | 260.72 | **1,019** |
| 0.35 | 0.54 | 3.56 | **Procter & Gamble** | PG | 153.47 | **1,032** |
| 0.24 | 0.13 | 0.86 | **Dow** | DOW | 53.84 | **1,111** |
| –0.34 | –0.13 | –0.86 | **Intel** | INTC | 37.88 | **1,462** |
| –0.35 | –0.99 | –6.52 | **McDonald's** | MCD | 278.23 | **1,073** |
| –0.42 | –0.71 | –4.68 | **Chevron** | CVX | 166.50 | **954** |
| –0.67 | –0.39 | –2.57 | **Coca-Cola** | KO | 57.94 | **932** |
| –1.11 | –3.13 | –20.63 | **Caterpillar** | CAT | 279.15 | **1,183** |
| –1.11 | –0.63 | –4.15 | **Cisco** | CSCO | 56.04 | **1,204** |
| –1.14 | –1.69 | –11.14 | **IBM** | IBM | 145.99 | **1,076** |
| –1.21 | –4.05 | –26.69 | **Microsoft** | MSFT | 330.22 | **1,386** |
| –1.40 | –1.53 | –10.08 | **Merck** | MRK | 107.52 | **989** |
| –1.44 | –1.41 | –9.29 | **Nike** | NKE | 96.26 | **830** |
| –1.50 | –3.16 | –20.83 | **Boeing** | BA | 208.11 | **1,093** |
| –1.78 | –3.17 | –20.89 | **Apple** | AAPL | 175.01 | **1,353** |
| –2.22 | –7.31 | –48.18 | **Home Depot** | HD | 321.40 | **1,039** |
| –2.52 | –6.22 | –40.99 | **Visa** | V | 241.07 | **1,167** |
| –4.52 | –10.15 | –66.90 | **Salesforce** | CRM | 214.61 | **1,619** |
| –4.88 | –5.18 | –34.14 | **3M** | MMM | 101.06 | **880** |

*Based on Composite price. DJIA is calculated on primary-market price.
Source: Dow Jones Market Data; FactSet.

## Consumer Rates and Returns to Investor

### U.S. consumer rates

A consumer rate against its benchmark over the past year




### Selected rates

Money Market/Savings Accts

| Bankrate.com avg†: | 0.58% |
|---|---|
| **CFG Community Bank** | **5.20%** |
| Baltimore, MD | 888-205-8388 |
| **Popular Direct** | **5.20%** |
| Miami Lakes, FL | 800-274-5696 |
| **UFB Direct** | **5.25%** |
| San Diego, CA | 877-472-9200 |
| **Valley Direct** | **5.25%** |
| Wayne, NJ | 866-899-9900 |
| **Vio Bank** | **5.25%** |
| Oklahoma City, OK | 888-999-9170 |

| Interest rate | Yield/Rate (%) Last (●) | Week ago | 52-Week Range (%) Low | High | 3-yr chg (pct pts) |
|---|---|---|---|---|---|
| **Federal-funds rate target** | **5.25-5.50** | 5.25-5.50 | 2.25 | 5.50 | **5.25** |
| **Prime rate*** | **8.50** | 8.50 | 5.50 | 8.50 | **5.25** |
| **SOFR** | **5.30** | 5.31 | 2.25 | 5.31 | **5.21** |
| **Money market,** annual yield | **0.58** | 0.46 | 0.16 | 0.60 | **0.35** |
| **Five-year CD,** annual yield | **2.83** | 2.82 | 1.89 | 2.86 | **2.18** |
| **30-year mortgage,** fixed† | **7.64** | 7.66 | 6.36 | 7.74 | **4.58** |
| **15-year mortgage,** fixed† | **6.87** | 6.91 | 5.54 | 6.93 | **4.32** |
| **Jumbo mortgages,** $726,200-plus† | **7.70** | 7.73 | 6.35 | 7.83 | **4.61** |
| **Five-year adj mortgage** (ARM)† | **6.56** | 6.58 | 4.75 | 6.59 | **3.29** |
| **New-car loan,** 48-month | **7.47** | 7.35 | 5.16 | 7.64 | **3.31** |

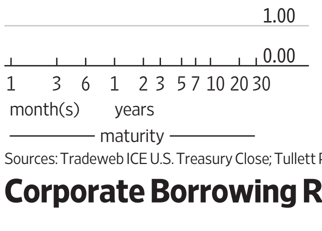
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

## Benchmark Yields and Rates

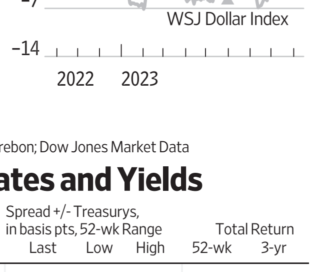
### Treasury yield curve

Yield to maturity of current bills, notes and bonds




### Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners




Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

## Corporate Borrowing Rates and Yields

| Bond total return index | Yield (%) Last | Wk ago | Spread +/- Treasurys, in basis pts, 52-wk Range Last | Low | High | Total Return 52-wk | 3-yr |
|---|---|---|---|---|---|---|---|
| **U.S. Treasury,** Bloomberg | **4.690** | 4.630 | | | | -1.59 | -5.48 |
| **U.S. Treasury Long,** Bloomberg | **4.550** | 4.470 | | | | -9.53 | -14.57 |
| **Aggregate,** Bloomberg | **5.150** | 5.110 | n.a. | 44 | 69 | -0.53 | -4.80 |
| **Fixed-Rate MBS,** Bloomberg | **5.170** | 5.160 | n.a. | 36 | 88 | -0.93 | -4.40 |
| **High Yield 100,** ICE BofA | **8.096** | 8.097 | 335 | 321 | 467 | 8.554 | 1.679 |
| **Muni Master,** ICE BofA | **3.680** | 3.647 | -1 | -17 | 11 | 2.381 | -1.510 |
| **EMBI Global,** J.P. Morgan | **7.998** | 7.946 | 350 | 334 | 478 | 5.716 | -4.301 |

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

## Currencies

U.S.-dollar foreign-exchange rates in late New York trading

| Country/currency | Fri in US$ | Fri per US$ | US$ vs, YTD chg (%) |
|---|---|---|---|
| **Americas** | | | |
| **Argentina** peso | .0029 | 349.8650 | **97.9** |
| **Brazil** real | .2055 | 4.8665 | **–7.9** |
| **Canada** dollar | .7390 | 1.3532 | **–0.2** |
| **Chile** peso | .001130 | 884.57 | **4.3** |
| **Colombia** peso | .000254 | 3929.50 | **–19.0** |
| **Ecuador** US dollar | 1 | 1 | **unch** |
| **Mexico** peso | .0585 | 17.0799 | **–12.4** |
| **Uruguay** peso | .02620 | 38.1650 | **–4.5** |
| **Asia-Pacific** | | | |
| **Australia** dollar | .6435 | 1.5540 | **5.9** |
| **China** yuan | .1375 | 7.2749 | **5.5** |
| **Hong Kong** dollar | .1278 | 7.8275 | **0.3** |
| **India** rupee | .01203 | 83.100 | **0.4** |
| **Indonesia** rupiah | .0000651 | 15366 | **–1.3** |
| **Japan** yen | .006764 | 147.85 | **12.8** |
| **Kazakhstan** tenge | .002136 | 468.11 | **1.1** |
| **Macau** pataca | .1240 | 8.0670 | **0.2** |
| **Malaysia** ringgit | .2135 | 4.6840 | **6.3** |
| **New Zealand** dollar | .5898 | 1.6955 | **7.7** |
| **Pakistan** rupee | .00337 | 296.915 | **31.0** |
| **Philippines** peso | .0176 | 56.870 | **2.1** |
| **Singapore** dollar | .7336 | 1.3632 | **1.7** |
| **South Korea** won | .0007522 | 1329.41 | **5.3** |
| **Sri Lanka** rupee | .0030940 | 323.21 | **–12.1** |
| **Taiwan** dollar | .03136 | 31.892 | **4.1** |
| **Thailand** baht | .02800 | 35.710 | **3.1** |
| **Vietnam** dong | .00004121 | 24265 | **2.7** |
| **Europe** | | | |
| **Czech Rep.** koruna | .04341 | 23.039 | **2.1** |
| **Denmark** krone | .1429 | 6.9974 | **0.7** |
| **Euro area** euro | 1.0660 | .9381 | **0.4** |
| **Hungary** forint | .002780 | 359.76 | **–3.6** |
| **Iceland** krona | .007346 | 136.12 | **–3.8** |
| **Norway** krone | .0930 | 10.7474 | **9.6** |
| **Poland** zloty | .2295 | 4.3572 | **–0.5** |
| **Russia** ruble | .01033 | 96.800 | **31.3** |
| **Sweden** krona | .0894 | 11.1849 | **7.2** |
| **Switzerland** franc | 1.1141 | .8976 | **–3.0** |
| **Turkey** lira | .0371 | 26.9736 | **44.3** |
| **Ukraine** hryvnia | .0271 | 36.9500 | **0.3** |
| **UK** pound | 1.2383 | .8076 | **–2.3** |
| **Middle East/Africa** | | | |
| **Bahrain** dinar | 2.6525 | .3770 | **–0.01** |
| **Egypt** pound | .0323 | 30.9532 | **25.0** |
| **Israel** shekel | .2626 | 3.8081 | **8.0** |
| **Kuwait** dinar | 3.2360 | .3090 | **1.0** |
| **Oman** sul rial | 2.5974 | .3850 | **unch** |
| **Qatar** rial | .2743 | 3.646 | **–0.6** |
| **Saudi Arabia** riyal | .2666 | 3.7509 | **–0.2** |
| **South Africa** rand | .0528 | 18.9416 | **11.2** |

| | Close | Net Chg | % Chg | YTD % Chg |
|---|---|---|---|---|
| **WSJ Dollar Index** | 99.42 | 0.05 | 0.05 | **2.96** |

Sources: Tullett Prebon, Dow Jones Market Data

# Cheap Fares Squeeze Airline Stocks

By Charley Grant

U.S. travelers are paying less to fly and airline stocks are taking a hit.

Airlines that focus on domestic flights are being squeezed as Americans embrace travel to Europe over vacations closer to home. Airfares across the industry were down 13.3% in August from a year ago, marking the fifth straight month of declines, according to federal data that is weighted toward domestic flights. The weakening demand comes just as airlines are facing surging jet fuel prices and rising labor costs.

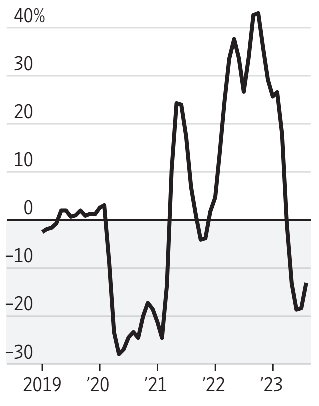
Doubts over whether carriers will be able to raise fares to offset mounting expenses have their stocks in retreat: The U.S. Global Jets exchange-traded fund, which tracks the industry, gained 5.4% this year on a postpandemic bump but is down 19% from its recent high in July. **American Airlines**' stock is down 29% from that peak, while **Southwest Airlines** is down 24%. The S&P 500 is up 1.5% over the same period.

"Bigger picture, this is an industry driven by pricing power," said Andrew Didora, senior airlines analyst at Bank of America. "There's the investor concern that pricing is not going to be there as fuel moves higher."

An average of 2.4 million passengers went through U.S. airports each day over the recent Labor Day weekend, according to Transportation Security Administration data. That was higher than in 2019. Where travelers are headed has shifted.

**Spirit Airlines**, which operates mostly domestic flights, said last week it had to offer "steep discounting" for travel booked from the late summer to pre-Thanksgiving period, and trimmed its third-quarter revenue forecast. Southwest said this month that overall demand was healthy, but that August bookings were on the low end of its expectations.

**Change from a year earlier in airfares**




Note: Monthly data, through August
Source: Labor Department

Investors worry the post-pandemic surge in leisure travel will peter out and that lucrative corporate travel will never fully return. Before the pandemic, business travelers accounted for about half of profits and 12% of traffic for U.S. airlines, according to a McKinsey analysis.

American Airlines, **Delta Air Lines**, **United Airlines** and **Alaska Air Group** all warned that costs for the third quarter would be higher than previously forecast.

Airlines are paying roughly 25% more for fuel than they were in July, according to Didora of Bank of America. Labor costs are set to increase, with new contracts for American Airlines and Delta pilots promising pay raises over a four-year period of 46% and 34%, respectively.

Like other commodities, fuel prices are volatile and a drop could help reverse the recent selloff. Airlines could try passing higher costs on to customers by raising fares.

But people might no longer be willing to spend as much on trips as their pandemic wanderlust subsides.

## THE TICKER | MARKET EVENTS THIS WEEK

### Monday

**No major events are scheduled for this day**

### Tuesday

**Fed 2-day meeting begins**

**Building Permits**
July, previous 1.442 mil.
August, expected 1.450 mil.

**Housing Starts**
July, previous 1.452 mil.
August, expected 1.430 mil.

**Earnings expected** (Estimate/Year Ago)
AutoZone 45.17/40.51

### Wednesday

**Fed rate-policy meeting**
Target rate 5.25%-5.50%

**EIA status report**
Previous change in stocks in millions of barrels
Crude-oil stocks, up 4.0
Gasoline stocks, up 5.6
Distillates up 3.9

**Mort. bankers indexes**
Purch., previous up 1.0%
Refinan., prev. down 5.0%

**Earnings expected** (Estimate/Year Ago)
FedEx 3.72/3.44
General Mills 1.08/1.11

### Thursday

**Current account**
1st qtr., previous $219.3 bil. Deficit
2nd qtr., expected $222.8 bil. Deficit

**EIA report: natural-gas**
Previous change in stocks in billions of cubic feet
up 57

**Existing home sales**
July, previous 4.07 mil
August, expected 4.1 mil.

**Initial jobless claims**
Previous 220,000
Expected 225,000

**Freddie Mac mortgage survey**
Previous weekly averages
30-year fixed 7.18%
15-year fixed 6.51%

**Leading indicators**
July, previous down 0.4%
August, expected down 0.5%

**Philadelphia Fed survey**
August, previous 12.0
September, expected -2.0

**Earnings expected** (Estimate/Year Ago)
Darden Restaurants 1.74/1.56
FactSet Research Systems 3.50/3.13

### Friday

**No major events are scheduled for this day**

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

## Closed-End Funds

Continued From Page B6

| Fund (SYM) | NAV | Close | Prem/Disc | 12 Mo Yld |
|---|---|---|---|---|
| BR MuniAssets Fd **MUA** | 10.85 | 9.47 | -12.7 | 5.5 |
| BR MH Qly 2 **MUE** | 11.08 | 9.26 | -16.4 | 4.3 |
| BR MuniHoldngs **MHD** | 13.06 | 10.96 | -16.1 | 4.3 |
| BR MuniVest Fd **MVF** | 7.62 | 6.41 | -15.9 | 4.1 |
| BR MuniVest 2 **MVT** | 11.87 | 9.93 | -16.3 | 4.2 |
| BR MuniYield Fd **MYD** | 11.62 | 9.78 | -15.8 | 4.7 |
| BR MuniYield Qlty **MQY** | 12.69 | 10.78 | -15.1 | 4.9 |
| BR MuniYld Qlty2 **MQT** | 11.24 | 9.51 | -15.4 | 4.7 |
| BR MuniYld Qly 3 **MYI** | 11.98 | 10.13 | -15.4 | 4.7 |
| BNY Mellon Muni Bd Infra **DMB** | 11.40 | 10.31 | -9.6 | 4.7 |
| BNY Mellon Str Muni Bond **DSM** | 6.31 | 5.29 | -16.2 | 5.0 |
| BNY Mellon Strat Muni **LEO** | 6.60 | 5.56 | -15.8 | 5.0 |
| DWS Muni Inc **KTF** | NA | 8.15 | NA | 3.9 |
| EVMuniBd **EIM** | 11.01 | 9.41 | -14.5 | 4.4 |
| EVMuniIncm **EVN** | 10.92 | 9.28 | -15.0 | 5.1 |
| EVNatMuniOpp **EOT** | 17.75 | 16.52 | -6.9 | 4.5 |
| InvAdvMuIncTrII **VKI** | 9.30 | 7.84 | -15.7 | 5.2 |
| Invesco MuniOp **OIA** | 6.06 | 6.26 | +3.3 | 5.2 |
| InvescoMuOppTr **VMO** | 10.39 | 8.75 | -15.8 | 5.1 |
| InvescoMuTr **VKQ** | 10.44 | 8.83 | -15.4 | 5.1 |
| InvescoQual Inc **IQI** | 10.48 | 8.84 | -15.6 | 5.1 |
| InvTrInvGrMu **VGM** | 10.75 | 9.07 | -15.6 | 5.0 |
| InvescoValMunInc **IIM** | 12.85 | 11.12 | -13.5 | 5.0 |
| MAINSTAY:MK DEFTR MUN OP **MMD** | 16.48 | 16.17 | -1.9 | 5.6 |
| NeubrgrBrm **NBH** | 11.57 | 9.70 | -16.2 | 5.2 |
| Nuveen AMT-Fr Mu Val **NUW** | 14.83 | 13.20 | -11.0 | 3.4 |
| Nuveen AMT-Fr Qlty Mun I **NEA** | 12.13 | 10.14 | -16.4 | 4.4 |
| Nuveen AMT-Fr Mu CI **NVG** | 12.97 | 10.85 | -16.3 | 5.0 |
| Nuveen Dyn Muni Opp **NDMO** | 10.50 | 10.10 | -3.8 | 7.9 |
| Nuveen Mu Crdt Opps **NMCO** | 11.23 | 10.83 | -3.6 | 5.8 |
| Nuv Muni Credit Income **NZF** | 13.08 | 10.94 | -16.4 | 4.9 |
| NuvMuniHiIncOpp **NMZ** | 10.48 | 9.91 | -5.4 | 5.7 |
| Nuveen Muni Val **NUV** | 9.08 | 8.33 | -8.3 | 3.9 |
| Nuveen Quality Muni Inc **NAD** | 12.55 | 10.57 | -15.8 | 4.6 |
| Nuveen Sel TF **NXP** | 14.12 | 14.00 | -0.8 | 4.0 |
| PIMCO MuniInc **PMF** | 9.11 | 8.90 | -2.3 | 5.8 |
| PIMCOMuniIncII **PML** | 8.44 | 8.23 | -2.5 | 6.3 |
| Pimco Muni III **PMX** | 7.73 | 7.01 | -9.3 | 6.0 |
| PioneerHiIncAdv **MAV** | 8.67 | 7.20 | -17.0 | 5.9 |
| PionrMuniHiIncOppty **MIO** | 11.99 | 10.03 | -16.3 | 5.8 |
| PioneerMunHiIcm **MHI** | 9.38 | 7.74 | -17.5 | 6.0 |
| Putnam Mgd Inc **PMM** | 6.31 | 5.65 | -10.5 | 5.9 |
| Putnam Muni Opp **PMO** | 10.74 | 9.71 | -9.6 | 5.5 |
| RiverNorth Flx Mu Inc II **RFMZ** | 14.71 | 13.25 | -9.9 | 7.7 |
| RiverNorth Mgd Dur Mun I **RMM** | 15.52 | 15.30 | -1.4 | 7.1 |
| Western Asset Mgd Muni **MMU** | 11.25 | 9.41 | -16.4 | 4.6 |
| **Single State Muni Bond** | | | | |
| BlackRock CA Mun **BFZ** | 12.57 | 10.82 | -13.9 | 3.9 |
| BR MH CA Qly Fd Inc **MUC** | 12.17 | 10.18 | -16.4 | 4.4 |
| BR MH NJ Qly **MUJ** | 12.62 | 10.70 | -15.2 | 4.7 |
| BR MH NY Qly **MHN** | 11.54 | 9.66 | -16.3 | 4.3 |
| BR MuniYld MI Qly **MIY** | 12.49 | 10.46 | -16.3 | 4.4 |
| BR MuniYld NY Qly **MYN** | 11.15 | 9.33 | -16.3 | 4.2 |
| BlackRock NY Mun **BNY** | 11.46 | 9.58 | -16.4 | 4.2 |
| EVCAMuniBd **EVM** | 10.00 | 8.46 | -15.4 | 4.2 |
| Eaton Vance NY Muni Bd **ENX** | 10.24 | 8.86 | -13.5 | 3.8 |
| InvCaValMuIncTr **VCV** | 10.65 | 8.95 | -16.0 | 4.7 |
| InvPAValMuIncTr **VPV** | 11.15 | 9.31 | -16.5 | 4.4 |
| InvTrInvGrNYMu **VTN** | 11.42 | 9.52 | -16.6 | 4.4 |
| Nuveen CA AMT-F Qual MI **NKX** | 12.62 | 10.74 | -14.9 | 4.7 |
| Nuveen CA Val **NCA** | 9.07 | 8.61 | -5.1 | 3.8 |
| NuveenCAQtyMuInc **NAC** | 12.17 | 10.18 | -16.4 | 4.5 |
| NuvNJ Qual Muni Inc **NXJ** | 13.19 | 10.97 | -16.8 | 3.7 |
| Nuveen NY AMT/Fr Qual MI **NRK** | 11.49 | 9.74 | -15.2 | 4.4 |
| Nuveen NY Qual Muni Inc **NAN** | 11.99 | 10.02 | -16.4 | 4.5 |
| Nuveen PA Qual Muni Inc **NQP** | 12.73 | 10.61 | -16.7 | 3.5 |
| Nuveen VA Qlty Mun Inc **NPV** | 11.91 | 10.16 | -14.7 | 4.3 |
| PIMCO CA **PCQ** | 9.89 | 8.83 | -10.7 | 5.8 |
| PIMCOCAMuniII **PCK** | 6.26 | 5.46 | -12.8 | 5.2 |

| Fund (SYM) | NAV | Close | Prem/Disc | 52 wk Ttl Ret |
|---|---|---|---|---|
| **General Equity Funds** | | | | |
| Alternative Strategies:I | 4.65 | NA | NA | -10.1 |
| First Trust Hdg Strat;A | 10.07 | NA | NA | N |
| First Trust Hdg Str;I | 10.08 | NA | NA | N |
| **Specialized Equity Funds** | | | | |
| Apollo Diversified RE:A | 26.02 | NA | NA | -7.1 |
| Apollo Diversified RE:C | 24.50 | NA | NA | -7.8 |
| Apollo Diversified RE:I | 26.56 | NA | NA | -6.9 |
| ARK Venture | 23.40 | NA | NA | NS |
| ArrowMark Financial Corp **BANX** | NA | 17.92 | NA | NA |
| Bluerock Total Inc+ RE:A | 32.10 | NA | NA | -11.1 |
| Bluerock Total Inc+ RE:C | 29.94 | NA | NA | -11.8 |
| Bluerock Total Inc+ RE:I | 32.94 | NA | NA | -10.9 |
| Bluerock Total Inc+ RE:L | 31.59 | NA | NA | -11.3 |
| Bluerock Total Inc+ RE:M | 30.07 | NA | NA | -11.5 |
| CBRE GlbRlEst **IGR** | 5.60 | 4.92 | -12.1 | -11.8 |
| CIM RA&C A | 25.02 | NA | NA | 2.9 |
| CIM RA&C C | 24.36 | NA | NA | 2.1 |
| CIM RA&C I | 25.23 | NA | NA | 3.2 |
| CIM RA&C L | 24.78 | NA | NA | 2.6 |
| Clarion Partners REI D | 12.01 | NA | NA | -0.2 |
| Clarion Partners REI I | 12.03 | NA | NA | 0.1 |
| Clarion Partners REI S | 12.03 | NA | NA | -0.8 |
| Clarion Partners REI T | 12.00 | NA | NA | -0.8 |
| First Tr Real Assets;I | 9.53 | NA | NA | -1.6 |
| Forum RE Income;I | 9.30 | NA | NA | NS |
| GS Real Est Div Inc:A | 9.33 | NA | NA | -6.0 |
| GS Real Est Div Inc:C | 9.31 | NA | NA | -6.7 |
| GS Real Est Div Inc:I | 9.82 | NA | NA | -5.7 |
| GS Real Est Div Inc:L | 9.33 | NA | NA | -6.4 |
| GS Real Est Div Inc:P | 9.83 | NA | NA | -5.7 |
| GS Real Est Div Inc:W | 9.50 | NA | NA | -5.9 |
| NexPointRlEstStrat;A | 18.45 | NA | NA | -9.1 |
| NexPointRlEstStrat;C | 18.66 | NA | NA | -9.8 |
| NexPointRlEstStrat;Z | 18.68 | NA | NA | -8.8 |
| PIMCO Flexible REI;Inst | 10.23 | NA | NA | NS |
| PREDEX;I | 26.60 | NA | NA | -13.7 |
| PREDEX;T | 26.74 | NA | NA | -13.9 |
| PREDEX;W | 26.73 | NA | NA | -13.9 |
| Principal Real Asst A | 25.13 | NA | NA | 0.7 |
| Principal Real Asst Ins | 25.23 | NA | NA | 1.1 |
| Principal Real Asst Y | 25.46 | NA | NA | 1.2 |
| Redwood Rl Est;I | 25.05 | NA | NA | NS |
| SS Priv Venture & Gr:D | NA | NA | NA | NS |
| SS Priv Venture & Gr:I | NA | NA | NA | NS |
| SS Priv Venture & Gr:S | NA | NA | NA | NS |
| SS Priv Venture & Gr;T | NA | NA | NA | NS |
| The Private Shares;A | 39.83 | NA | NA | -5.9 |
| The Private Shares;I | 40.44 | NA | NA | -5.6 |
| The Private Shares;L | 39.24 | NA | NA | -6.1 |
| Thirdline Real EstateI | 10.20 | NA | NA | 7.0 |
| USQ Core Real Estate:I | 25.86 | NA | NA | -11.9 |
| USQ Core Real Estate:IS | 25.92 | NA | NA | -11.8 |
| Versus Cap MMgr RE Inc:I | 26.74 | NA | NA | NE |
| Versus Capital Real Asst | 27.53 | NA | NA | 4.0 |
| Wildermuth:I | 9.90 | NA | NA | -24.9 |
| **Income & Preferred Stock Funds** | | | | |
| Alpha Alternative Assets | 6.30 | NA | NA | 1.2 |
| Calamos L/S Eqty and DI **CPZ** | 17.53 | 14.75 | -15.9 | 5.7 |
| Carlyle AlpInv Pvt Mkt:I | NA | NA | NA | NS |
| Constitution Cap Acs A | NA | NA | NA | NS |
| Constitution Cap Acs D | NA | NA | NA | NS |
| First Trust Alt Opps;A | 26.11 | NA | NA | 5.8 |
| First Trust Alt Opps;A | 26.51 | NA | NA | 6.6 |
| Flat Rock Opportunity | 19.06 | NA | NA | 12.6 |
| Lord Abbett Spec Sit I:A | 9.17 | NA | NA | 9.4 |
| Lord Abbett Spec Sit I:I | 9.17 | NA | NA | 10.2 |
| Variant Altrntv Inc:Inst | 29.48 | NA | NA | 8.9 |
| Variant Impact;Instl | 27.97 | NA | NA | 12.0 |
| **Convertible Sec's. Funds** | | | | |
| Calmos Dyn Conv and Inc **CCD** | 19.14 | 19.51 | +1.9 | 0.6 |
| **World Equity Funds** | | | | |
| ACAP Strategic:A | 16.95 | NA | NA | 12.9 |
| ACAP Strategic:W | 12.68 | NA | NA | 13.7 |
| CalamosGlbTotRet **CGO** | 9.97 | 9.18 | -7.9 | 11.0 |
| Cantor Fitzgerald SI:A | 10.33 | NA | NA | -3.4 |
| Cantor Fitzgerald SI:C | 10.28 | NA | NA | NS |
| Cantor Fitzgerald SI:I | 10.33 | NA | NA | NS |
| Primark Priv Eq Inv:I | 11.35 | NA | NA | 3.1 |
| Sweater Cashmere | 21.18 | NA | NA | 5.8 |
| Thornburg Inc Bldr Opps **TBLD.O** | 17.46 | 15.02 | -14.0 | 17.4 |
| VirtusTotalRetFd **ZTR** | 6.20 | 5.17 | -16.6 | -6.8 |

| Fund (SYM) | NAV | Close | Prem/Disc | 12 Mo Yld |
|---|---|---|---|---|
| **U.S. Mortgage Bond Funds** | | | | |
| Arca US Treasury | NA | NA | NA | NE |
| Ellington Inc Opp:A | 9.08 | NA | NA | NA |
| Ellington Inc Opp:M | 8.96 | NA | NA | NA |
| **Loan Participation Funds** | | | | |
| 1WS Credit Income;A2 | 18.75 | NA | NA | 6.2 |
| 1WS Credit Income;Inst | 19.05 | NA | NA | 6.1 |
| Axonic Alternative Inc | 19.63 | NA | NA | 9.0 |
| Blackstone FR EI D | 21.90 | NA | NA | 9.1 |
| Blackstone FR EI I | 21.87 | NA | NA | 9.3 |
| Blackstone FR EI T | 21.83 | NA | NA | 8.9 |
| Blackstone FR EI T-I | 22.37 | NA | NA | 8.9 |
| Blackstone FR EI U | 22.80 | NA | NA | 8.9 |
| Bluerock HI Inst Crd:A | 24.26 | NA | NA | 8.0 |
| Bluerock HI Inst Crd:C | 24.26 | NA | NA | 8.0 |
| Bluerock HI Inst Crd:F | 24.26 | NA | NA | 8.0 |
| Bluerock HI Inst Crd:I | 24.27 | NA | NA | 8.0 |
| BNYM Alcntr Glb MS Cr Fd | 89.04 | NA | NA | NA |
| CliffwaterClFd;I | 10.76 | NA | NA | 9.4 |
| CliffwaterElFd;I | 10.91 | NA | NA | 9.7 |
| CNR Strategic Credit | 7.66 | NA | NA | 19.5 |
| Equalize Community Dev | 9.25 | NA | NA | 3.6 |
| FedProj&TrFinanceTendr | 10.07 | NA | NA | 6.3 |
| Flat Rock Core Income | 20.56 | NA | NA | 7.1 |
| Flat Rock Enhanced Inc | 21.33 | NA | NA | NS |
| InvDYCrOpp:A | 11.14 | NA | NA | 9.3 |
| InvDYCrOpp:R6 | 11.15 | NA | NA | 9.7 |
| InvDYCrOpp:Y | 11.14 | NA | NA | 9.6 |
| Invesco Sr Loan A | 5.94 | NA | NA | 11.0 |
| Invesco Sr Loan C | 5.95 | NA | NA | 10.3 |
| Invesco Sr Loan IB | 5.94 | NA | NA | 11.3 |
| Invesco Sr Loan IC | 5.93 | NA | NA | 11.1 |
| Invesco Sr Loan Y | 5.94 | NA | NA | 11.3 |
| Lord Abbett FR Hi Inc:A | 10.24 | NA | NA | NS |
| Lord Abbett FR Hi Inc:I | 10.24 | NA | NA | NS |
| Monachil Credit Income:I | 10.04 | NA | NA | NS |
| Nomura Alt Inc;I | 10.21 | NA | NA | NS |
| OFS Credit Company **OCCI** | NA | 7.40 | NA | NA |
| Yieldstreet Prism | NA | NA | NA | 8.5 |
| **High Yield Bond Funds** | | | | |
| Apollo Diversified Cd:A | 21.73 | NA | NA | 8.3 |
| Apollo Diversified Cd:C | 21.73 | NA | NA | 7.8 |
| Apollo Diversified Cd:F | 21.73 | NA | NA | 10.9 |
| Apollo Diversified Cd:I | 21.73 | NA | NA | 8.5 |
| Apollo Diversified Cd:L | 21.72 | NA | NA | 8.1 |
| Apollo Diversified Cd:M | 21.73 | NA | NA | 8.0 |
| Opprtnstc Crdt Intrvl;I | 12.19 | NA | NA | 7.1 |
| PIMCO Flexible Cr I;A-1 | 6.78 | NA | NA | 15.7 |
| PIMCO Flexible Cr I;A-2 | 6.78 | NA | NA | 15.7 |
| PIMCO Flexible Cr I;A-3 | 6.78 | NA | NA | 15.4 |
| PIMCO Flexible Cr I;A-4 | 6.78 | NA | NA | 15.4 |
| PIMCO Flexible Cr I;Inst | 6.78 | NA | NA | 16.2 |
| **Other Domestic Taxable Bond Funds** | | | | |
| AFA Private Credit;Fndr | 9.53 | NA | NA | 9.1 |
| AFA Private Credit;Inst | 9.57 | NA | NA | 9.1 |
| Alternative Credit Inc:A | 9.94 | NA | NA | 7.1 |
| Alternative Credit Inc:C | 10.04 | NA | NA | 6.3 |
| Alternative Credit Inc:I | 9.96 | NA | NA | 7.3 |
| Alternative Credit Inc:L | 9.93 | NA | NA | 6.8 |
| Alternative Credit Inc:W | 9.93 | NA | NA | 7.1 |
| Angel Oak Str Crdt:FI | 20.62 | NA | NA | 7.9 |
| Angel Oak Str Crdt:Inst | 20.61 | NA | NA | 8.6 |
| BR Credit Strat;A | 8.70 | NA | NA | 7.1 |
| BR Credit Strat;Inst | 8.67 | NA | NA | 8.0 |
| BR Credit Strat;U | 8.70 | NA | NA | 7.1 |
| BR Credit Strat;W | 8.70 | NA | NA | 7.1 |
| BlackRock Mlt-Sctr Oppty | 66.00 | NA | NA | 9.0 |
| BlackRock Mlt-Sec Opp II | 69.94 | NA | NA | 9.0 |
| CION Ares Dvsfd Crdt;A | 24.66 | NA | NA | 7.1 |
| CION Ares Dvsfd Crdt;C | 24.47 | NA | NA | 6.5 |
| CION Ares Dvsfd Crdt;I | 24.93 | NA | NA | 7.3 |
| CION Ares Dvsfd Crdt;L | 24.74 | NA | NA | 6.9 |
| CION Ares Dvsfd Crdt;U | 24.77 | NA | NA | 6.6 |
| CION Ares Dvsfd Crdt:U2 | 24.74 | NA | NA | 6.6 |
| CION Ares Dvsfd Crdt;W | 24.92 | NA | NA | 6.9 |
| CNR Select Strategies | 13.19 | NA | NA | 0.0 |
| First Eagle Crdt Opps A | 23.70 | NA | NA | 9.7 |
| First Eagle Crdt Opps A2 | 23.66 | NA | NA | 9.4 |
| First Eagle Crdt Opps I | 23.61 | NA | NA | 10.2 |
| First Trust Private Cr;A | 10.31 | NA | NA | NS |
| First Trust Private Cr;I | 10.32 | NA | NA | 5.4 |
| Franklin BSP Pvt Cr:A | 10.38 | NA | NA | NS |
| Franklin BSP Pvt Cr:Adv | 10.38 | NA | NA | NS |
| FS Credit Income;A | 11.88 | NA | NA | 7.8 |
| FS Credit Income;I | 11.92 | NA | NA | 8.1 |
| FS Credit Income;T | 11.91 | NA | NA | 7.6 |
| FS Credit Income;U | 11.87 | NA | NA | 7.3 |
| FS Credit Income;U-2 | 11.96 | NA | NA | 7.6 |
| GL Beyond Income | 0.41 | NA | NA | NE |
| KKR CREDIT OPPTY;D | 21.87 | NA | NA | 8.2 |
| KKR CREDIT OPPTY;I | 23.56 | NA | NA | 8.5 |
| KKR CREDIT OPPTY;T | 23.34 | NA | NA | 7.8 |
| KKR CREDIT OPPTY;U | 22.45 | NA | NA | 7.8 |
| Palmer Square Opp Inc | 17.63 | NA | NA | 8.8 |
| **World Income Funds** | | | | |
| BlueBay Destra Itl E:A | 23.83 | NA | NA | 13.1 |
| BlueBay Destra Itl E:I | 23.86 | NA | NA | 13.3 |
| BlueBay Destra Itl E:L | 23.80 | NA | NA | 12.9 |
| BlueBay Destra Itl E:T | 23.70 | NA | NA | 12.8 |
| Calamos-Aksia ACI:A | 10.25 | NA | NA | NS |
| Calamos-Aksia ACI:C | 10.22 | NA | NA | NS |
| Calamos-Aksia ACI:I | 10.25 | NA | NA | NS |
| Calamos-Aksia ACI:M | 10.23 | NA | NA | NS |
| Carlyle Tact Pvt Cred:A | 8.45 | NA | NA | 9.7 |
| Carlyle Tact Pvt Cred:I | 8.49 | NA | NA | 10.3 |
| Carlyle Tact Pvt Cred:L | 8.45 | NA | NA | 9.7 |
| Carlyle Tact Pvt Cred:M | 8.49 | NA | NA | 9.5 |
| Carlyle Tact Pvt Cred:N | 8.45 | NA | NA | 10.3 |
| Carlyle Tact Pvt Cred:U | 8.50 | NA | NA | NS |
| Carlyle Tact Pvt Cred:Y | 8.45 | NA | NA | 10.1 |
| Fid MS Cr;A | 10.09 | NA | NA | NS |
| Fid MS Cr;C | 10.09 | NA | NA | NS |
| Fid MS Cr;I | 10.09 | NA | NA | NS |
| Fid MS Cr;L | 10.09 | NA | NA | NS |
| Lord Abbett Cred Opps Fd | 8.90 | NA | NA | 8.4 |
| Lord Abbett Cred Opps Fd | 8.90 | NA | NA | 9.1 |
| Lord Abbett Crd Op:U | 8.90 | NA | NA | 8.4 |
| Oaktree Dvsfd Income;D | 9.00 | NA | NA | 8.2 |
| PIMCO Flexible EM I;Inst | 8.01 | NA | NA | 9.3 |
| **National Muni Bond Funds** | | | | |
| Ecofin Tax-Exempt Prv Cr | 8.34 | NA | NA | 5.1 |
| Lind Cap Pt Mun Cred Inc | 8.60 | NA | NA | 4.5 |
| Nuveen En HY Muni Bd:A1 | 7.09 | NA | NA | 5.4 |
| Nuveen En HY Muni Bd:A2 | 7.10 | NA | NA | 5.7 |
| Nuveen En HY Muni Bd:I | 7.08 | NA | NA | 6.2 |
| PIMCO Flex Mun Inc;A-3 | 9.72 | NA | NA | 3.5 |
| PIMCO Flex Mun Inc:A1 | 9.72 | NA | NA | 3.8 |
| PIMCO Flex Mun Inc;A2 | 9.72 | NA | NA | 3.8 |
| PIMCO Flex Mun Inc;Inst | 9.72 | NA | NA | 4.3 |
| **Single State Muni Bond** | | | | |
| PIMCO CA FMI;A-1 | 9.84 | NA | NA | NS |
| PIMCO CA FMI;Inst | 9.84 | NA | NA | 3.5 |

## Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on September 15, and year-to-date stock performance of the company

**KEY: B:** beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

### Biggest weekly individual trades

Based on reports filed with regulators this past week

| Date(s) | Company | Symbol | Insider | Title | No. of shrs in trans (000s) | Price range ($) in transaction | $ Value (000s) | Close ($) | Ytd (%) |
|---|---|---|---|---|---|---|---|---|---|
| **Buyers** | | | | | | | | | |
| Sept. 8-11 | Asana | ASAN | D. Moskovitz | CEO | 555 | 20.03-20.39 | 11,142 | 18.25 | 32.5 |
| Sept. 6 | Broadcom | AVGO | C. Low | D | 11 | 872.03 | 9,592 | 851.68 | 52.3 |
| Sept. 8-12 | Southwest Gas Holdings | SWX | C. Icahn | BI | 128 | 60.67-61.79 | 7,849 | 63.89 | 3.2 |
| Sept. 11-13 | Semler Scientific | SMLR | E. Semler | DI | 78 | 26.98-28.11 | 2,147 | 27.63 | -16.3 |
| Sept. 5-6 | Heartland Express | HTLD | M. Gerdin | CEOI | 109 | 14.86-14.87 | 1,626 | 15.72 | 2.5 |
| Sept. 13 | Virtu Financial | VIRT | D. Cifu | CEOI | 50 | 17.06 | 853 | 17.12 | -16.1 |
| Sept. 13 | | | J. Molluso | P | 15 | 17.17 | 257 | | |
| Sept. 7-11 | Porch Group | PRCH | M. Ehrlichman | CEO | 757 | .77-.86 | 609 | 0.83 | -55.7 |
| Sept. 11-13 | AudioEye | AEYE | J. Tahir | DI | 100 | 5.04-5.14 | 508 | 5.65 | 47.5 |
| Sept. 8 | Quanterix | QTRX | W. Donnelly | D | 20 | 24.85 | 502 | 25.73 | 85.8 |
| Sept. 8 | Five Below | FIVE | J. Anderson | CEO | 3 | 161.50 | 501 | 159.00 | -10.1 |
| Sept. 13 | Advance Auto Parts | AAP | E. Lee | DI | 9 | 57.65 | 500 | 59.82 | -59.3 |
| Sept. 7-8 | Vapotherm | VAPO | J. Army | CEO | 100 | 3.31-3.58 | 348 | 3.39 | -84.3 |
| Sept. 12-14 | Summit Financial Group | SMMF | G. Hinkle | DI | 14 | 24.07-24.20 | 343 | 23.74 | -4.6 |
| Sept. 8 | Sealed Air | SEE | E. Doheny | CEO | 10 | 33.85 | 339 | 35.11 | -29.6 |
| Sept. 6-7 | RE/MAX Holdings | RMAX | A. Peterson | BI | 24 | 14.33-14.43 | 337 | 14.46 | -22.4 |
| Sept. 12 | Montrose Environmental Group | MEG | J. Fernandez De Castro | D | 10 | 32.94 | 329 | 32.86 | -26.0 |
| Sept. 11 | Mirum Pharmaceuticals | MIRM | E. Bjerkholt | CFO | 10 | 29.65 | 296 | 32.85 | 68.5 |
| **Sellers** | | | | | | | | | |
| Sept. 6 | Amkor Technology | AMKR | A. Kim | BI | 10,000 | 23.22 | 232,200 | 22.25 | -7.2 |
| Sept. 6 | | | J. Kim | DOI | 10,000 | 23.22 | 232,200 | | |
| Sept. 11 | CVR Energy | CVI | C. Icahn | BI | 4,100 | 35.20 | 144,320 | 34.55 | 10.2 |
| Sept. 6 | Green Brick Partners | GRBK | D. Einhorn | DOI | 850 | 45.63 | 38,786 | 42.98 | 77.4 |
| Sept. 12-13 | Applovin | APP | E. Vivas | D | 854* | 41.13-41.76 | 35,446 | 42.82 | 306.6 |
| Sept. 11 | Workday | WDAY | D. Duffield | BI | 108 | 248.66-252.29 | 27,146 | 240.86 | 43.9 |
| Sept. 6-7 | Automatic Data Processing | ADP | C. Rodriguez | O | 98 | 250.33-252.28 | 24,593 | 245.31 | 2.7 |
| Sept. 12 | | | C. Rodriguez | O | 52 | 247.74-248.21 | 12,955 | | |
| Sept. 12 | Airbnb | ABNB | B. Chesky | CEO | 150 | 150.06 | 22,509 | 142.75 | 67.0 |
| Sept. 5-7 | Advanced Drainage Systems | WMS | R. Jones | DI | 171 | 126.53-128.27 | 21,785 | 119.47 | 45.7 |
| Sept. 5-7 | | | A. Seetharam | DI | 171 | 126.53-128.27 | 21,785 | | |
| Sept. 6-8 | TransDigm Group | TDG | R. Small | DI | 21 | 882.66-883.68 | 18,605 | 864.70 | 37.3 |
| Sept. 7-8 | Cactus | WHD | J. Bender | P | 250 | 55.41-56.18 | 13,936 | 51.21 | 1.9 |
| Sept. 7-8 | | | S. Bender | CEO | 250 | 55.41-56.18 | 13,936 | | |
| Sept. 7 | NVIDIA | NVDA | J. Huang | CEO | 30 | 453.74-462.96 | 13,606 | 439.00 | 200.4 |
| Sept. 13 | | | J. Huang | CEO | 30 | 445.58-459.01 | 13,479 | | |
| Sept. 12 | | | J. Huang | CEO | 30 | 446.19-455.90 | 13,418 | | |
| Sept. 11 | | | J. Huang | CEO | 30 | 443.92-461.63 | 13,330 | | |

* Half the transactions were indirect ** Two day transaction
p - Pink Sheets

### Buying and selling by sector

Based on actual transaction dates in reports received this past week

| Sector | Buying | Selling | Sector | Buying | Selling |
|---|---|---|---|---|---|
| **Basic Industries** | 1,204,192 | 29,843,457 | **Finance** | 5,205,169 | 53,498,322 |
| **Capital Goods** | 1,005,663 | 39,381,742 | **Health care** | 5,824,895 | 70,682,181 |
| **Consumer durables** | 0 | 46,754,590 | **Public Utilities** | 7,944,482 | 29,443,382 |
| **Consumer non-durables** | 611,376 | 19,067,189 | **Technology** | 1,517,595 | 391,064,780 |
| **Consumer services** | 3,075,312 | 252,298,780 | **Transportation** | 1,626,234 | 1,248,588 |
| **Energy** | 704,236 | 39,712,812 | | | |

Sources: Refinitiv; Dow Jones Market Data

## Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

### Money Rates

September 15, 2023

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

**Inflation**

| | Aug. index level | Chg From (%) July '23 | Aug. '22 |
|---|---|---|---|
| **U.S. consumer price index** | | | |
| All items | 307.026 | 0.44 | 3.7 |
| Core | 310.103 | 0.23 | 4.3 |

**International rates**

| | Latest | Week ago | 52-Week High | 52-Week Low |
|---|---|---|---|---|
| **Prime rates** | | | | |
| U.S. | 8.50 | 8.50 | 8.50 | 5.50 |
| Canada | 7.20 | 7.20 | 7.20 | 5.45 |
| Japan | 1.475 | 1.475 | 1.475 | 1.475 |
| **Policy Rates** | | | | |
| Euro zone | 4.25 | 4.25 | 4.25 | 1.25 |
| Switzerland | 2.25 | 2.25 | 2.25 | 0.25 |
| Britain | 5.25 | 5.25 | 5.25 | 1.75 |
| Australia | 4.10 | 4.10 | 4.10 | 2.35 |
| **Overnight repurchase** | | | | |
| U.S. | 5.36 | 5.31 | 5.36 | 2.26 |

**U.S. government rates**

| | Latest | Week ago | 52-Week High | 52-Week Low |
|---|---|---|---|---|
| **Discount** | 5.50 | 5.50 | 5.50 | 2.50 |
| **Federal funds** | | | | |
| Effective rate | 5.3400 | 5.3400 | 5.3400 | 2.3300 |
| High | 5.6500 | 5.6500 | 5.6500 | 2.4500 |
| Low | 5.3100 | 5.3100 | 5.3200 | 2.3000 |
| Bid | 5.3300 | 5.3300 | 5.3300 | 2.3200 |
| Offer | 5.3500 | 5.3500 | 5.3700 | 2.3400 |
| **Treasury bill auction** | | | | |
| 4 weeks | 5.285 | 5.280 | 5.840 | 2.660 |
| 13 weeks | 5.315 | 5.315 | 5.340 | 3.075 |
| 26 weeks | 5.300 | 5.300 | 5.350 | 3.465 |

**Secondary market**

| Fannie Mae (30-year mortgage yields) | Latest | Week ago | 52-Week High | 52-Week Low |
|---|---|---|---|---|
| 30 days | 6.700 | 6.616 | 6.881 | 5.244 |
| 60 days | 6.712 | 6.631 | 6.988 | 5.250 |

**Other short-term rates**

| | Latest | Week ago | 52-Week high | 52-Week low |
|---|---|---|---|---|
| **Call money** | 7.25 | 7.25 | 7.25 | 4.25 |
| **Commercial paper (AA financial)** | | | | |
| 90 days | 5.52 | n.a. | 5.54 | 3.00 |
| **Secured Overnight Financing Rate** | 5.30 | 5.31 | 5.31 | 2.25 |

| DTCC GCF Repo Index | Latest | Value Traded | 52-Week High | 52-Week Low |
|---|---|---|---|---|
| Treasury | 5.369 | 26.216 | 5.369 | 2.221 |
| MBS | 5.417 | 76.090 | 5.417 | 2.319 |

**Notes on data:**

**U.S. prime rate** is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective July 27, 2023. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective July 27, 2023. **Secured Overnight Financing Rate** is as of September 14, 2023. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

## Cash Prices | wsj.com/market-data/commodities

Friday, September 15, 2023

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

| | Friday |
|---|---|
| **Energy** | |
| Coal,C.Aplc.,12500Btu,1.2SO2-r,w | 70.000 |
| Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w | 14.300 |
| **Metals** | |
| **Gold, per troy oz** | |
| Engelhard industrial | 1923.00 |
| Handy & Harman base | 1927.70 |
| Handy & Harman fabricated | 2139.75 |
| LBMA Gold Price AM | *1906.45 |
| LBMA Gold Price PM | *1901.75 |
| Krugerrand,wholesale-e | 2011.83 |
| Maple Leaf-e | 2059.96 |
| American Eagle-e | 2059.96 |
| Mexican peso-e | 2483.70 |
| Austria crown-e | 1890.08 |
| Austria phil-e | 2021.46 |
| **Silver, troy oz.** | |
| Engelhard industrial | 23.1500 |
| Handy & Harman base | 23.1840 |
| Handy & Harman fabricated | 28.9800 |
| LBMA spot price | *£18.1700 |
| (U.S.$ equivalent) | *22.6400 |
| Coins,wholesale $1,000 face-a | 19644 |
| **Other metals** | |
| LBMA Platinum Price PM | *903.0 |
| Platinum,Engelhard industrial | 937.0 |
| Palladium,Engelhard industrial | 1285.0 |
| Aluminum, LME, $ per metric ton | *2192.5 |
| Copper,Comex spot | 3.7635 |
| Iron Ore, 62% Fe CFR China-s | *124.0 |
| Steel, HRC USA, FOB Midwest Mill-s | *720.0 |
| **Battery/EV metals** | |
| BMI Lithium Carbonate, EXW China, =99.2%-v,w | 26850 |
| BMI Lithium Hydroxide, EXW China, =56.5% -v,w | 24800 |
| BMI Cobalt sulphate, EXW China, >20.5% -v,m | 4795 |
| BMI Nickel Sulphate, EXW China, >22%-v,m | 4281 |
| BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m | 578 |
| **Fibers and Textiles** | |
| Burlap,10-oz,40-inch NY yd-n,w | 0.7000 |
| Cotton,1 1/16 std lw-mdMphs-u | 0.8314 |
| Cotlook 'A' Index-t | *97.50 |
| Hides,hvy native steers piece fob-u | n.a. |
| Wool,64s,staple,Terr del-u,w | n.a. |
| **Grains and Feeds** | |
| Bran,wheat middlings, KC-u,w | 145 |
| Corn,No. 2 yellow,Cent IL-bp,u | 4.4800 |
| Corn gluten feed,Midwest-u,w | 158.1 |
| Corn gluten meal,Midwest-u,w | 567.6 |
| Cottonseed meal-u,w | 340 |
| Hominy feed,Cent IL-u,w | 142 |
| Meat-bonemeal,50% pro Mnpls-u,w | 443 |
| Oats,No.2 milling,Mnpls-u | 4.4400 |
| Rice, Long Grain Milled, No. 2 AR-u,w | 37.25 |
| Sorghum,(Milo) No.2 Gulf-u | n.a. |
| SoybeanMeal,Cent IL,rail,ton48%-u,w | 411.60 |
| Soybeans,No.1 yllw IL-bp,u | 13.0000 |
| Wheat,Spring14%-pro Mnpls-u | 8.7900 |
| Wheat,No.2 soft red,St.Louis-u | 5.2675 |
| Wheat - Hard - KC (USDA) $ per bu-u | 7.7950 |
| Wheat,No.1soft white,Portld,OR-u | 6.8750 |
| **Food** | |
| Beef,carcass equiv. index | |
| choice 1-3,600-900 lbs.-u | 284.41 |
| select 1-3,600-900 lbs.-u | 261.04 |
| Broilers, National comp wtd. avg.-u,w | 1.1602 |
| Butter,AA Chicago-d | 2.7175 |
| Cheddar cheese,bbl,Chicago-d | 181.00 |
| Cheddar cheese,blk,Chicago-d | 188.00 |
| Milk,Nonfat dry,Chicago lb.-d | 111.25 |
| Coffee,Brazilian,Comp-y | 1.5503 |
| Coffee,Colombian, NY-y | 1.8605 |
| Eggs,large white,Chicago-u | 1.5550 |
| Flour,hard winter KC-p | 18.90 |
| Hams,17-20 lbs,Mid-US fob-u | n.a. |
| Hogs,Iowa-So. Minnesota-u | 85.13 |
| Pork bellies,12-14 lb MidUS-u | n.a. |
| Pork loins,13-19 lb MidUS-u | 1.2500 |
| Steers,Tex.-Okla. Choice-u | n.a. |
| Steers,feeder,Okla. City-u,w | 277.50 |
| **Fats and Oils** | |
| Degummed corn oil, crude wtd. avg.-u,w | n.a. |
| Grease,choice white,Chicago-h | 0.6600 |
| Lard,Chicago-u | n.a. |
| Soybean oil,crude;Centl IL-u,w | 0.6613 |
| Tallow,bleach;Chicago-h | 0.7000 |
| Tallow,edible,Chicago-u | n.a. |

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 9/14

Source: Dow Jones Market Data

# HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

# China May Dodge Deflation After All

Economic data still hints at a bottom rather than a strong rebound, however, so it will probably be a near miss

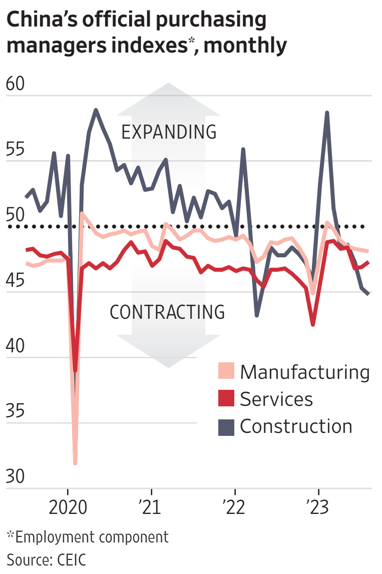
China's economy appears to have survived its near miss with a damaging bout of consumer-price deflation—for now.

After a grim June and July, China's main August economic data, released Friday, contained clear hints of improvement. The news from the critical housing sector, which is mired in a protracted slump, was less encouraging: Price falls accelerated in lower-tier cities. But growth in retail sales accelerated to 4.6% from a year earlier, from just 2.5% in July. Unemployment ticked down marginally. And the past few weeks have witnessed a flurry of measures to support lending: Easier terms for second-time mortgage borrowers, and a big cut to banks' reserve-requirement ratios on Thursday.

All of this makes a protracted fall in consumer prices—which could trap China in a 1990s Japan-like cycle of falling prices and ultra-thrifty consumers—less likely.

Chinese consumers remain very cautious and still appear to be saving at much higher levels than before the pandemic. But things have clearly improved somewhat in recent weeks.

Most notably, job seekers in services—the economy's biggest sector—seem to be having better luck. The services-sector purchasing-managers employment subindex, which plummeted in line with construction employment this spring, has now begun rising again—although it remains below the 50-point mark separating expansion from contraction. Some high-frequency measures of consumer activity, including traffic congestion in major cities, also started to rebound in the late summer, according to Goldman Sachs.




Moreover, even as China's headline consumer inflation dipped briefly below zero in July, so-called core inflation—excluding volatile food and energy prices—had actually risen to its highest point since January. The large decline in pork and fuel prices over the past year, which magnified the drop in the headline index, probably also freed up more cash for consumers to spend on other things. And in August, consumer price inflation for services hit an 18-month high—at the same time the job market in services, at least, was beginning to show clear signs of bottoming out.

JADE GAO/AGENCE FRANCE-PRESSE/GETTY IMAGES

Unemployment ticked down marginally in China's latest economic readings. A jobs fair in Beijing last month.

So the good news is that things are looking up, on the margins. The bad news is that this is all starting from a very low base—and there are still few reasons to expect a strong growth rebound, rather than a weak muddling through.

Beijing needs to do more to put a floor under the housing market. If it doesn't, falling prices will keep weighing on households' inclination to spend. And weakness in the property sector—which accounts for about one-quarter of the economy—could undermine the entire job market again later in the year, as it did this spring and summer.

Even assuming the property sector finally begins to bottom out in late 2023, activity remains way below 2019 levels. Developers started building just 51 million square meters of new housing this August, according to figures from data provider CEIC. In August 2019, they started building 142 million square meters.

As long as such an important chunk of the economy—and the key store of household wealth—remains flat on its back, it is hard to envision a strong consumer rebound, and the job market will remain at risk. Policy makers are understandably eager to reorient the economy away from a sector that has consumed so many resources and produced so much waste.

But for now, at least, there simply isn't anything else that can replace it. *—Nathaniel Taplin*

# Fitness Investors Are Sweating

Investors hit the gym on Friday, and not in a good way.

Companies that help people sculpt their physiques had diverging fortunes during the Covid-19 emergency. Those offering in-person exercise, like **Planet Fitness**, experienced an immediate crisis when social gathering became a decidedly unhealthy thing to attempt.

Meanwhile, **Peloton**, **Nautilus** and others that sell home fitness equipment had too much business to handle. There was even a tidy profit to be made by buying and then reselling bulky items such as dumbbells and exercise bikes.

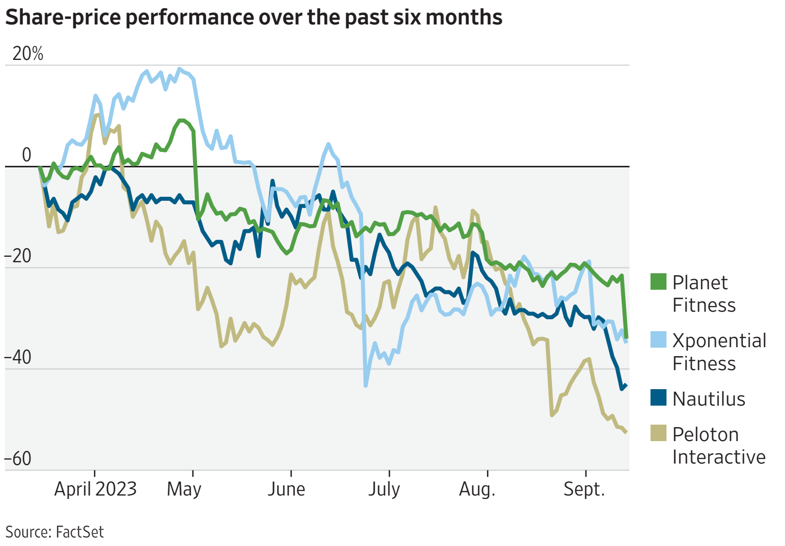
The pattern reversed dramatically after vaccines became available. Planet Fitness shares hit a record in November 2021, while equipment makers were forced into painful price cuts and distribution deals and saw their shares plunge. But 2023 has been an equal-opportunity disaster for fitness-related companies and it might have to do with a different type of shot: the weekly injections that make it possible for people to lose dramatic amounts of weight.

The effect of Wegovy, Ozempic, Mounjaro and other GLP-1 inhibitors on people's desire to exercise has been unclear, with Morgan Stanley analysts citing a survey that showed a greater propensity to get active after people began the injections. After all, exercise isn't just about trimming your waistline.

Be that as it may, shareholders of Planet Fitness had plenty of reason to sweat Friday after longtime Chief Executive Chris Rondeau was abruptly replaced by an interim leader. The stock slid nearly 16% in Friday's trading.

Planet Fitness's most recent quarterly results, released early last month, didn't show any signs of slippage and the chain in any case depends only indirectly on the popularity of exercise. Its low-fee business model is actually built on how likely people are to sign up for a membership and then hardly ever show up. Moreover, Planet Fitness has more low-income consumers who might not have been as able to gain access to weight-loss drugs. **Xponential Fitness**, which owns boutique fitness brands, might be more exposed. Its shares declined by nearly 4% on Friday.

The reasons for Rondeau's abrupt departure could be personal or related to tensions in Planet Fitness's capital-light business model that has allowed it to grow so quickly.




In the statement announcing his departure, interim CEO Craig Benson made a statement about "supporting our franchisees who are key partners in our efforts to drive shareholder value." Benson himself has been a franchise owner.

A substantial share of the company's income arises from mandatory equipment purchases from the parent and on royalties that have risen in recent years.

With no further explanation forthcoming from the company, it turned into a lousy day for the sector.

*—Spencer Jakab*

## MARKETS

# Battle for Soybean Dollars on U.S. Farms Heats Up

By Patrick Thomas

There is a new king of soybeans on the American farm—for now.

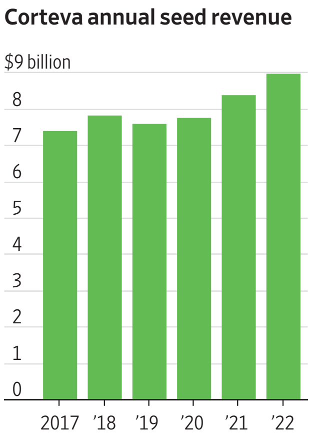
For years, one company dominated the roughly 80 million acres of soybeans planted in the U.S. after Missouri-based Monsanto revolutionized farming with seeds genetically engineered to tolerate the weedkiller Roundup. **Bayer**, the German agriculture and pharmaceutical company, became the top crop-seed maker after its 2018 acquisition of Monsanto.

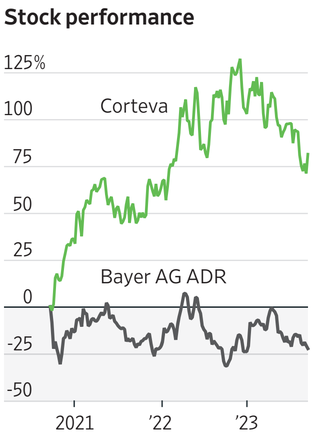
A rival agriculture company, **Corteva**, has been flexing its muscles since it was spun out of **DowDuPont** in 2019. It has pulled ahead with new biotech soybeans that the company says now make up more than half the market.

Together, Bayer and Corteva sell roughly 70% of all corn and soybean seeds planted in the U.S., up from about 40% two decades ago, according to the U.S. Department of Agriculture.

The companies are in hot competition for the billions of dollars that farmers spend each year on seed-and-chemical combinations designed to combat hard-to-kill weeds. Bayer and Corteva also make hundreds of millions of dollars licensing to other seed suppliers the genetic technology that enables crops to resist specific weedkillers.

In the U.S. market for soybeans—the nation's second-largest crop by acreage—the companies' acts of rivalry have




Sources: S&P Capital IQ (seed revenue), FactSet (stock performance)

ranged from pitching individual growers at farm shows to fighting over patents in court.

Bayer got a jump on Corteva in 2017 when it began selling its Xtend and later XtendFlex soybeans alongside a powerful herbicide called dicamba, which the seeds were engineered to withstand. As weeds grew to resist other widely used herbicides, farmers were looking to broaden their arsenal to keep their fields clean.

Dicamba, however, can evaporate off crops and drift in the wind, sometimes damaging neighboring crops that lack resistance to it. Some farmers were fearful of the headaches and liability that came along with the spray.

Bayer says it stands behind the technology and that most of its customers using the company's dicamba-based herbicide, XtendiMax, had success this growing season. It said it appreciates grower efforts to follow the product label or complete training on how to properly use it.

To prevent dicamba from drifting under summer heat, some states placed limits around when dicamba can be sprayed on crops, dissuading some growers from using Bayer's product, said Joe Sinclair, president of Iowa farm retailer Quality Ag Services. Iowa has a June 12 cutoff date for spraying dicamba. Some other states have similar deadlines.

Corteva has been involved with at least one group pushing for tighter regulation of its competitor's dicamba herbicide. The company is a member of an Arkansas nonprofit organization that lobbies state lawmakers and farmers to support stricter rules on when dicamba-based herbicides can be sprayed. A bill it was backing in the state legislature failed earlier this year.

MADELINE CASS FOR THE WALL STREET JOURNAL

Bayer and Corteva sell roughly 70% of all soybean and corn seeds planted in the U.S.

Corteva in 2019 launched its competing soybean-and-spray combination, called Enlist E3, built around a herbicide known as 2,4-D choline. That weedkiller doesn't have the same problem with drift, according to various studies and field work by university agricultural researchers.

At Iowa-based farmer cooperative Landus, which sells farmers seeds and other supplies, nearly 90% of its soybean sales were Enlist this year, according to Chief Executive Matt Carstens. He estimated that the total will grow to 95% or more next year and says that farmers are more comfortable with 2,4-D compared with dicamba.

"We feel like we're in a position of strength," Mike Dillon, vice president of Corteva's oilseed business, said in an interview.

Corteva said Enlist will make up at least 55% of soybeans planted in the U.S. this year. Between licensing and direct sales, about 60% of the U.S. soybean market could adopt Enlist technology next year, Corteva said.

A Bayer spokesman said the company's Xtend and XtendFlex products make up about 45% to 50% of the U.S. soybean market, based on physical shipments and royalty reporting from its licensees. Monsanto's Roundup Ready soybean represented more than 90% of the market for roughly two decades, according to analysts. The company added dicamba to the mix to combat weeds that had developed resistance to Roundup's main ingredient, glyphosate.

In court, Bayer and Corteva have accused each other of foul play. Bayer sued Corteva last year alleging it breached a contract between the two companies by using Bayer technology during the development of its Enlist E3 soybeans.

Corteva executives have said the soybean was central to its strategy to reduce its reliance on crop genes that Corteva licensed from Bayer for years and shrink the royalties it pays to its top rival.

In a separate case, Corteva is alleging that Bayer infringed on Enlist-related patents as Bayer develops a new generation of biotech seeds.

The companies declined to comment on the litigation. Both companies have denied the allegations in court documents and in securities filings.

Bayer said the soybean race isn't over, and that it is investing heavily in creating new technologies that will help it regain lost soybean share. It aims to launch a biotech soybean, HT4, in 2027. The soybean will be able to withstand five different weed-killing chemicals, the first soybean ever to do so, Bayer said.

JOURNAL REPORT

# C-SUITE STRATEGIES

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JON KRAUSE

# Why DEI Training Doesn't Work—And How to Fix It

There's no question that bias exists. There's also no question that the way organizations deal with it is more likely to hurt than help.

**BY MAHZARIN BANAJI AND FRANK DOBBIN**

**AT LEAST 30 STATES** are considering legislation to defund DEI initiatives in public universities and state agencies. At the same time, conservative activists, emboldened by the Supreme Court's ruling against affirmative action in college admissions, are suing companies to stop DEI initiatives. These challenges come on the heels of the growth of corporate DEI programs after the murder of George Floyd in May of 2020.

Meanwhile, advocates for DEI—which stands for diversity, equity and inclusion—have bemoaned the fact that after decades of diversity training, many university faculties, state agencies and corporations have made little progress on diversifying the workforce.

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*Please turn to page R8*

# What Should We Do About Fridays?

Before Covid, we sort of knew what Fridays were. Now? We don't have a clue.

**BY ALEXANDRA SAMUEL**

**FRIDAY HAS** long been a little bit different.

It was the day the boss might invite the team to leave work a little early, or the suit-and-tie dress code might give way to slacks and sweaters.

But no matter how relaxed, Friday was still another day at the office. Then Covid turned the work world upside down, and Fridays lost their Friday-ness. There was nothing special about a casual dress code, once we were living full-time in sweats, and nothing exciting about leaving work a little early to get home, because many of us were already there.

By the time offices reopened, there was no way to bring back the Friday magic—or even any way to know what Fridays were supposed to be anymore. We may have returned to the office, but an awful lot of workers are still home on Fridays.

So now Fridays float in no man's land, as not quite a regular workday, and not quite a weekend—creating a whole new set of workplace dilemmas. Can you set up a hybrid schedule where different team members come into the office

*Please turn to page R7*

## Inside

**PROSE ADVICE**
Thinking of changing careers? Read these 5 books first. **R4**

**MANAGEMENT TOP 250**
An executive devoted to DEI can give companies an edge, research shows. **R9**

**STANDOUT SITES**
A Wall Street Journal ranking of the top convention centers in the U.S. **R10**

**Scan this code** to learn about quiet cutting, when workers are reassigned rather than laid off.

A New York brunch from 2019 organized by Jon Levy (right). The guests were tasked with cooking.

INFLUENCERS INC.

# How to Host a Great Networking Dinner

For one thing, says Jon Levy, don't use the word 'networking'

BY ALINA DIZIK

**WHEN** people think about networking events, a vision of large, crowded and unfruitful gatherings often comes to mind.

Jon Levy's take is different.

Levy, the author of "You're Invited: The Art and Science of Connection, Trust, and Belonging," has spent the past 13 years hosting what he calls "influencers" dinners for 12 guests. These events are aimed at bringing people together to forge professional ties, but they're also a way for people to make new friends and feel less lonely, he says.

He chooses attendees from a range of industries and gets them involved in joint activities that sometimes include cooking, and he asks them to rotate among each other during the event to maximize interaction.

The behavioral scientist encourages others to try hosting their own networking dinners. The benefits of one evening can be felt by hosts for years to come, he says, helping them stay top of mind within an extended network when opportunities arise. "By being a central community hub where people gather, you are more likely to be seen as an obvious choice to partner with," he says.

In a conversation with The Wall Street Journal, Levy shared his thoughts about how to build connections by hosting a networking event. Here are edited excerpts of that discussion.

**• WSJ: What's the biggest takeaway from your years of hosting?**

• **LEVY:** The biggest lesson is that people actually connect over a shared activity. During some of my events, we cook, and that shared effort causes them to bond faster. The dinner doesn't have to be the focus. It could be in addition to it—for example, hosting a board-game night or having people paint or do arts and crafts.

**• WSJ: What are some things to consider when planning a get-together?**

• **LEVY:** Don't sweat the small stuff, flowers and all that. We focus too much on the perfect food or perfect seating arrangement. Nobody remembers the food.

The larger the table, the more I encourage people to move around. Most months, I host a lunch in L.A., New York and San Francisco where people stand up and rotate randomly. One of the most frustrating things is if you go to a dinner party and are at a larger table, and the person you want to talk to most is nowhere near you, and you are stuck.

**• WSJ: What are some of the details to remember the day of the event?**

• **LEVY:** Don't be afraid to put people to work, they'll appreciate the experience more and care more about it. You can even ask for help moving chairs or getting drinks or to welcome people and tell them where to put their bags. When people are on task, they feel like they are being useful. People often stress at the beginning. When the first guests arrive, it can be awkward. People don't remember the length of their enjoyment or lack of enjoyment. They remember the peaks of experiences and how they end. For the first few minutes, it may feel like a lot of pressure to entertain them, but it doesn't matter how it starts, it matters that it ends on a positive note.

**• WSJ: At your dinners, you ask people to stay away from sharing basic information about what they do for a living or who they are until they're seated. Why?**

• **LEVY:** When people are anonymous, they can't fall back on their previously templated conversation and résumé. It takes them out of their comfort zone. They no longer have the status they are used to. Now they are having the conversations they have with their close friends. You are connecting with people, not titles. After we have bonded, people discover who they have been dining with. When I discover the person I have become friends with is an Olympian, a potential client or anything else, there isn't the awkwardness of, 'How do I approach this person?"

**• WSJ: How does connection occur when people share a vulnerability and others respond?**

• **LEVY:** It's called a vulnerability loop. Person 1 signals a vulnerability, for instance saying they have an infant and they don't have a clue as to what they are doing. Person 2 can either ignore or make fun of them, but then trust would be reduced. If Person 2 acknowledges how they can feel overwhelmed and mentions how they have felt overwhelmed raising kids or in some situation, trust can increase to that higher level. You have to be on the lookout when somebody signals vulnerability and close the loop.

If I don't see people signaling vulnerability, I might have to signal first. I might say, "Are any of you parents?" and I'll talk about kids..

**• WSJ: If you're hosting a dinner party with networking in mind, how would you compile the guest list?**

• **LEVY:** Start with loose ties—somebody that you kind of know but are not necessarily close with. For example, someone you met at a conference who lives in the same city as you. I would start small. When you reach out you can say, "I'm bringing together six impressive entrepreneurs and here is an example of the people I tend to host." If you have eight to 10 people confirmed and two people cancel, you are in pretty good shape. Anything above 12 gets logistically more complex.

**• WSJ: Should you avoid using the word networking in your invite?**

• **LEVY:** People don't like to use the term networking. People view networking like I'm connecting with them to use them, but using the term friendship feels mutually beneficial. You can say, "I'm hosting a dinner to make friends in the industry or make friends with people across industries."

**• WSJ: How do you ensure things end on a positive note?**

• **LEVY:** Set an end time. It can make it easier for people to value the time they have together and prevent them from feeling obligated to be up late. You can also end with a speech about what an honor it was to have them here, or ask others if they have final words.

*Alina Dizik is a writer in Chicago. She can be reached at reports@wsj.com.*

# Can Companies Attract More Women by Wording Job Postings a Certain Way?

Some have argued that companies should cut 'masculine' or 'feminine' adjectives in job ads. But a new study finds little evidence to support it.

BY LISA WARD

**COMPANIES** seeking to attract a gender-diverse group of applicants are sometimes advised to choose the words they use in job postings carefully. Using stereotypically masculine or feminine adjectives to describe the qualities needed for a position can affect who applies.

Or so the thinking goes. A recent study, however, finds little evidence to support that notion.

In one part of the study, researchers analyzed almost 300,000 job posts on an actual recruitment website over a two-year period. They looked for words that social psychologists in previous studies have defined either as stereotypically masculine, such as active, aggressive, assertive and self-reliant, or stereotypically feminine, such as empathetic, committed, dependable and warm.

The authors then looked at 487,379 applicants who contacted recruiters through the site to inquire about the job postings.

They found that as the number of feminine words in a job advertisement increases, women are slightly more likely and men slightly less likely to inquire about the position, but the difference is so small that it wouldn't have much effect in practice in terms of attracting more female applicants. And when a job description is gender neutral, meaning it doesn't include stereotypically masculine or feminine adjectives, there is no significant difference in terms of who is more likely to apply.

More feminine wording had a "negligible effect on whether women or men inquired about a position," says Emilio J. Castilla, a professor at the MIT Sloan School of Management and one of the paper's authors, adding that the researchers controlled for demographic variables, occupation, flexible hours and other factors that could influence the results. The authors also used a natural-language-processing machine-learning algorithm to determine whether the language in the job postings was masculine, feminine or gender neutral, rather than a list generated by scholars, and found similarly negligible effects when it came to who inquired about the position.

In another part of the research, the authors asked about 2,500 participants to fill out a questionnaire electronically. Once participants were finished and ready to get paid for their time, they were shown an advertisement for a part-time university research-assistant job and were asked to click on a link if they were interested in the position.

About 1,240 participants clicked on the link to learn more about the job. All participants then saw the same job description, but with one of three variations: One had stereotypical masculine adjectives, like assertive or outspoken, inserted into the text. Another had stereotypical female adjectives, like compassionate and supportive, inserted into the text. A third option omitted all adjectives. The job listings also indicated if the recruiter was either female or male, or it omitted the recruiter's gender entirely. Participants were divided into nine groups to test all permutations of these conditions.

Once again, the authors found that while women were more likely to apply to postings that had stereotypical female adjectives than men, the effect was almost statistically insignificant. If the posting had no adjectives or stereotypically male adjectives, there was no statistically significant effect on the female participants' decision to apply when compared with male participants. The recruiter's gender or lack of information about their gender also usually made no statistically significant difference in terms of who applied.

Castilla says that omitting words thought to be stereotypically masculine or feminine could actually be counterproductive in some cases because words such as persistence, tenacity or collaboration and empathy could be fair descriptions of the skills needed for certain positions. "It's a superficial intervention with little tangible effect," he says.

GIACOMO BAGNARA

*Lisa Ward is a writer in Vermont. She can be reached at reports@wsj.com.*

YES.

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SIUNG TJIA/WSJ; IMAGES: (CLOCKWISE FROM TOP LEFT) EBURY PUBLISHING; PENGUIN; SIMON AND SCHUSTER; TEN SPEED PRESS; AMACOM

# 5 Books to Read if You're Thinking of Changing Careers

Unhappy workers dream of doing something different, but often don't know where to even begin. They might want to start by reading these books.

**BY SIMON CONSTABLE**

**DURING THE** pandemic, we had sudden layoffs, quickly followed by the Great Resignation. Now millions of positions are unfilled, yet many Americans still say they are unhappy in their jobs. In a survey of 1,000 workers between the ages of 25 and 44 by online-course provider edX back in 2018, some 29% of respondents said they had changed careers since their first job after college, and 32% said they were thinking about a change.

With that in mind, The Wall Street Journal asked some experts what books would be most helpful for people considering switching careers. Here's what they said.

**"What Color Is Your Parachute: Your Guide to a Lifetime of Meaningful Work and Career Success," by Richard N. Bolles**

This book gets a big thumbs-up from Hartford, Conn.-based Paul Tieger, an expert in the study of personality types and a trainer of human-resources specialists.

"What I appreciate most about Dick Bolles's book is its comprehensiveness," Tieger says. "It was really the first career book, and it opens people's eyes to how important it is to understand your needs to find career satisfaction and success."

It includes many activities that help people find satisfying work. It also covers such topics as identifying strengths for interviewing, networking, navigating the job market and handling career moves. Better still, it has stood the test of time. The book was first published in 1970 and has been regularly updated since.

**"Make Your Contacts Count: Networking Know-How for Business and Career Success," by Anne Baber and Lynne Waymon**

When switching jobs, whom you know helps. That is why increasing your contacts is a key skill, says Red Bank, N.J.-based Dawn Graham, who works in talent management.

"I used to believe if I worked hard that was all you needed," Graham says. "We know now that without your network, all the experience and qualifications in the world won't help you." This is why Graham recommends "Make Your Contacts Count," a book about how to develop contacts to get yourself where you want to be. The two authors have collaborated on a number of books about networking and careers.

"It's a very tactical book," Graham says. It shows you strategies and describes what individuals can do to build networking into their lives. While some people may wish to have lunch at their desk, for example, they should consider scheduling lunch with a different colleague once a week.

"Make the most of those moments you have with people," she says.

Reading the book also led her to start taking notes about people in meetings, with a view to striking up conversations later.

**"The Road Less Traveled: A New Psychology of Love, Traditional Values, and Spiritual Growth," by M. Scott Peck**

Carlsbad, Calif.-based Adam Markel, a researcher and author on the topics of resilience and the future of work, recommends "The Road Less Traveled," by Peck, a psychiatrist and bestselling author who died in 2005. One of the book's themes, Markel says, is self-discipline, something of a requirement for anyone seriously pursuing a new career, and extremely helpful in overcoming fear of change.

Change happens constantly, and where there are inflection points, "it can drive people to a reactionary state of fear," Markel says. But, he says, change is inevitable and fear works against us achieving our goals.

Peck's book, first published in 1978, led Markel to explore the reasons he felt fear in the face of change, and he credits the book with helping him overcome those fears.

"If it doesn't create fear and panic, then you are able to find the creative opportunities in whatever it is that is happening," he says. "Things always work out for the best."

**"The Good Enough Job: Reclaiming Life from Work," by Simone Stolzoff**

Many younger workers these days want jobs with meaning, purpose and impact, says William Burnett, executive director of the Life Design Lab at Stanford University. It is a lot easier to find those things outside the workplace, Burnett says, which is why he recommends this book by the former design lead at the design-services company IDEO.

"The book gives you permission to say, 'The job I have is good enough,' " Burnett says. "A job is a good enough job if it is one that fits your values and you are learning stuff." A lot of younger people have it backward, Burnett adds. You don't find meaning in life through work, he says, "you find meaning by expressing yourself into the world." People need another strategy to have lives with impact, he says, which is where Stolzoff's book helps.

**"Dedicated: The Case for Commitment in an Age of Infinite Browsing," by Pete Davis**

Stolzoff himself recommends this book. It isn't necessarily a career book, but its lessons—from Davis, an author focused on public-policy matters—apply to choosing a profession, Stolzoff says. For instance, most of us periodically experience a lack of commitment even if it is scrolling through Netflix to find the perfect movie. Of course, we don't want to watch a bad film, but scrolling prevents us from watching anything. At some point we need to dive in and see what the movie is like. If it is bad, then you stop and pick another.

"The culture is one of restlessness," which is the opposite of what we want, Stolzoff says. "The truth is we yearn for purpose and for dedicating ourselves to commitments." The way to see whether a job fits, he says, is to dive into it with gusto. If you don't really commit, you won't know enough to decide.

"Make a firm decision one way or the other," Stolzoff says.

*Simon Constable is a writer in the Occitanie region of France. He can be reached at **reports@wsj.com.***

# Thinking About Work at Night Makes You a Worse Leader in the Morning

A study suggests that taking a break in your off hours makes you a better manager

**BY LISA WARD**

**COULD THINKING** about work during off hours be counterproductive for managers?

A recent study suggests the answer is yes, especially for managers new to the job. The researchers found that when managers stop thinking about work in the evening, they are less likely to feel depleted the following day. That, in turn, helps them see themselves as a leader and act the part.

The study surveyed 73 managers each workday morning for two weeks, gauging, in part, whether they had been able to detach themselves from thoughts about work the night before. Managers were asked, for example, how much they agreed with such statements as: "Last night after work, I found it easy to unwind from work" or "Last night after work, I felt tense when thinking about work-related issues."

The survey also asked the managers how much they agreed with such statements as, "I feel drained right now" or "My mind feels unfocused right now." The study characterized such thoughts as feelings of "depletion."

The study concluded that about 5% of the daily fluctuations in managers' responses could be explained by whether the managers were able to detach from work the night before or if they spent the evening ruminating about work, says Remy Jennings, an assistant professor at Florida State University's College of Business and one of the paper's co-authors.

"To some, 5% might seem small," Jennings says, "but if we think of all the things that could affect how much energy a leader has in the morning (how well they slept, what they ate, their stress level, etc.), we believe that explaining 5% of the day-to-day differences is actually rather significant."

"Managers have a tendency to make themselves always available, even responding to colleagues outside of working hours," Jennings continues. "But our research suggests that it is very important to take time to disconnect." The authors controlled for variables like sleep that could also likely affect managers' level of depletion, Jennings says.

The authors found that when managers feel less depleted, they are more likely to see themselves as leaders, agreeing with statements like: "Right now, I feel like I possess the characteristics of a leader" or "Right now, it is important to my sense of self that others see me as a leader." About 4% of the daily fluctuation in how managers answered these types of leadership questions could be attributed to their level of depletion, says Jennings.

MIKEL JASO

For each manager surveyed, one person reporting to that manager was also surveyed. These employees were asked, among other questions, if their manager effectively communicated goals, rethought procedures, displayed enthusiasm and was heard or listened to that day. Again, the authors found that about 4% of the daily fluctuations in how subordinates answered these questions could be attributed to the manager's level of depletion.

Detaching from work seemed to be even more important for new managers. The authors found that new managers who tended to ruminate about work the night before were less likely to display certain leadership qualities, like showing enthusiasm.

"Managers should create boundaries between work and home early in their career," says Jennings, who adds, "It can really set them up for success."

*Lisa Ward is a writer in Vermont. She can be reached at reports@wsj.com.*

Everyone's talking about the latest-greatest leap in AI — Generative AI. The news can't stop buzzing about it. The pundits can't stop debating it. The Street is fawning over it. And the board is clamoring for it. Buckle up. The hype machine is in overdrive.

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# How Do You Build a Corporate Culture In a Hybrid or Remote Workplace?

It isn't easy, but there are ways for colleagues who aren't physically together to feel connected to the mission. Readers share their strategies.

BY DEMETRIA GALLEGOS

A **MANAGER** I worked with during the pandemic began every weekly staff meeting with a different perplexing question: Do you believe in ghosts? How often do you wash your hair? If it was the 1940s and America was in the midst of World War II, how would you contribute to the war effort?

The first minutes of the meeting were spent with each of us sharing a memory or advice or a spy fantasy, often amid laughter and appreciative comments. As a newcomer to the group, it gave me a better understanding of who these colleagues were, even though everyone was joining the call from home. It's also the only part of those meetings that I can recall today.

In that sense, question time worked to build a team and boost morale when many of us were facing some adversity at home or professional burnout. So now that remote and hybrid work have taken hold, and more workers report feeling disconnected from the mission of their employer, leaders are struggling with how to create and sustain corporate culture when workers come into the office only some of the time, or not at all. So we asked Wall Street Journal readers—which measures have worked and which haven't?

Here are some of their ideas.

## Simon says, 'Let's connect'

We have established a team of culture champions across our globally distributed team. They organize in-person and virtual activities, polls, chats and other connection points in each of three geographies. For me, this has restored a welcome reminder of the organic "we're in this together" spirit that emerged during those crazy times when *everything* was virtual, from competitive trivia nights to coffee chats to music to work by (song requests encouraged).

We especially try to foster connections between colleagues who don't normally work together. Even though we're all in the same function (marketing), we have a lot of recent joiners who still don't know what the subfunctions do, so informal get-to-know-you activities foster empathy and business understanding. We balance virtual with in-person activities: Last week, I was the caller for "Simon Says" on the front lawn of our largest office in California. Employee engagement scores for autonomy and flexibility are at the highest I've seen, so I take that as a sign we're on the right track.

**—Cristin Balog,** *San Leandro, Calif.*

## A consistent schedule

Consistency of schedule is key. I telework Monday and Friday and keep to it, pending in-person needs. Since my job requires so much collaboration, knowing when I'll be in the office helps my team know when to plan in-person versus virtual meetings. My employer requested three days a week but delegated authority for me to designate my telework days. This flexibility is a boost in job satisfaction and allows me to choose what works best for my duties.

What has worked well in hybrid/remote work includes flexibility and adaptation to maintain mission effectiveness, good collaborative tools, consistent messaging of policies and priorities across the staff regardless of their location or work status, managing expectations, and bringing all workers in for group quarterly gatherings to foster greater team unity.

What hasn't worked includes requiring workers to return to the office full time with sparse reasoning, inconsistent communication between hybrid/remote and in-person workers, and elevating workers who have been showing up in-person over those who are hybrid/remotely performing at a high standard.

**—Reed Schafer,** *Rapid City, Mich.*

## The person, *then* their work

If your culture is just ping pong and bean bags, then you have bigger challenges than remote work. But if the culture is about people and how you support each other, remote work isn't an insurmountable challenge.

I try to create connection with my teams. Make sure people are doing work they feel good about. Make sure they feel supported. What are they concerned with? Connect people on the team with each other if that will help solve a problem. Listen to your teammates. Find out who they are and what's important to them. Lead your check-in with some connection time to show your people that you care more about them than the work. A good team will take this support and deliver the best work you've ever seen.

One of the challenges of remote work is the opportunity for problems to be kept quiet. That is more easily overcome by connection than it is by proximity.

People also need a few contacts they stay in touch with just for personal reasons. Work might be a small part of the conversation. Some of my most valuable supporters have been people with whom 90% of the conversation is focused on weekends, the kids or their spouse.

**—Jor Molchan,** *Boston*

## Pick up the phone

You have to reach out. Don't wait for someone to call you. On many occasions, I realized it had been weeks or even months since I had spoken with someone.

I think people get hung up on ego and status issues, which lead them to think "Hey, I'm important—let them call me." That only leads to losing touch. Let's face it—the pivot to remote work has changed the workplace fundamentally. Now, you really have to make an effort to stay in touch with people whom you formerly saw daily or weekly. I am always glad to speak to and hear from current and former colleagues. Often they say, "I was about to reach out to you" or "I was wondering what you were up to."

**—Kenneth Abbott,** *New York*

## Remote from the start

I decided nine years ago to start a completely virtual company, and we've been operating as such ever since. Without commuting time, we've reduced mental frustration and wear-and-tear on employees, increasing time for them to focus on clients and their own mental and physical well-being.

We don't track paid time off. Today's workers are always reachable and always "on," but that can lead to burnout. Everyone rejuvenates differently, so to truly empower an employee, you need to allow them to take time whenever they want. Treat them as the professionals they are. We have never had an issue with employees abusing the unlimited PTO policy.

Without the need to hire locally, we can hire the strongest professionals regardless of where they live, which increases diversity. We limit virtual meetings but make sure the entire company meets once a week. Video is optional except for that weekly all-hands meeting, to help foster connection. Twice a year we hold in-person off-sites to ensure we don't lose the ability to strategize and build important connections.

We also create space in our budget for in-person events throughout the year, and we hold semiannual virtual happy hours that focus on specific events like cooking and yoga.

Sometimes, we open these up to our clients. Virtual gives us the flexibility to do this, and it's always a nice way to bond with our employees and clients and partners.

We laminate and print out our annual goals and corporate values, and mail home books and other important culture messages so employees feel connected to the company.

It's my view that companies struggling with the hybrid/remote era are often resisting change, instead of focusing on the absolute real benefits of a remote and virtual company—more employee empowerment and trust, lower costs and more value for clients.

**—Ray Kimble,** *Bristow, Va.*

## Outcomes, not input

For me, the flexibility to work when and where I want has been life-changing. I think the secret to keeping team morale high is the high level of trust my colleagues and I enjoy. We're judged by outcomes, not how many hours we're in front of our keyboards. This feeling of trust motivates us to give our best in return.

**—Connor Murphy,** *Portland, Ore.*

Cristin Balog's co-workers played Jenga and 'Simon Says' at a company gathering.

## Volunteer together

We are a 70-person firm based out of one office. Our culture is extremely important to us, and it is one of our largest recruiting and retention tools. We began offering work from home during Covid, and we continue to offer flexibility as to whether employees want to work at the office, remotely or use a hybrid model.

It is much harder, if not impossible, to recreate the short interactions that we used to have, such as when we arrived at a meeting early, or lingering in the kitchen while heating up lunch. So we have intentionally offered

ILLUSTRATION: MARTIN TOGNOLA; TOM TURPEL

more companywide outings during business hours to promote teamwork. They come at a cost—both the cost of the events and the lost billable hours—but we believe strongly that the connections forged between employees make our teams more efficient and able to communicate more easily.

One example is our paid Volunteer Hours program. In celebration of our 15-year anniversary, we have a goal to perform 1,500 volunteer hours (during regular working hours) as a company this year. We have given each employee three paid volunteer days and we are taking two additional paid workdays to have companywide Days of Service. The employees have taken the initiative to promote various volunteer opportunities and ask their co-workers to join them.

Every month, employees talk about their experiences at a companywide meeting, share pictures and promote volunteer opportunities. More often than not, the employees are volunteering as groups of five or 10 people, and they are building connections that we believe will make our company culture stronger.

**—Sarah Emily Colby,** *Portland, Maine*

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## As simple as X, Y and Z

It is much easier to set office rules than it is to build culture; I believe the gap between the two is a key barometer of a business's potential success or stagnation. When I talk to our teams about projects or programs, I tell them why we are doing it and how it is going to help someone or add value. When I'm asking someone to dig deeper or expand their efforts, I take the time to explain how that will help them skill up and how it will help their career progress.

People need to hear that every single day on every single call: "The purpose of this work is X. We need you to add this to your job because it will help us Y and it will help you Z." It doesn't matter if you do this on Zoom or in a conference room full of people. It isn't where people are, it is what you convey to them.

We try to facilitate a fly-in among key teams quarterly. We need to see each other to really focus our minds on each other's needs, and on the needs of our members and clients.

Our fly-ins help us talk more deeply about purpose and distill our culture, which provides the glue for our mission, values and strategies. And if you get it right, you can be flexible on where a person works and how they work instead of trying to set rigid rules.

**—Andy Polk,** *Reston, Va.*

CALEN COLBY

## It's about gratitude

Don't underestimate practicing gratitude at work to build culture. Daily, help team members feel valued and acknowledged for what they do well. Start meetings by inviting people to write down three things they're grateful for or to acknowledge another team member who has helped them recently. Infuse gratitude into your culture in more significant ways, too.

Here's one of my favorite examples I've organized: Provide a booklet for each team member in the meeting and ask everyone to fill out one line of gratitude or a kind note about their colleagues. Each team member gets to take the compiled booklet as a reminder of their contributions—which creates positive feelings well beyond the meeting.

**—Shanna Hocking,** *Merion Station, Pa.*

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## Set the agenda in person

We begin each fiscal year with a week of in-person meetings. We have very clear parameters around performance expectations, so workers feel they are working toward corporate goals because the system is designed to reward that kind of work.

Some people will have to work fully in-person, and resentment is a natural byproduct of that. But to give everyone a bit of extra flexibility, we allow four-day weeks twice a month during the summer for everyone (generally, Fridays off twice a month). We provide career-growth opportunities as well, so people currently stuck in a fully in-person role could be promoted up to a role that allows more flexibility.

**—Tom Hall,** *Newport News, Va.*

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## Care packages

We have fully embraced a remote and hybrid work environment, but building culture with new hires continues to pose a challenge. We have addressed this by engaging our team members with regular video updates from

Sarah Emily Colby's co-worker Heather Sustersic volunteered to teach dance to seniors.

management and executives. We are also using a tool that allows our team members to better feel part of the team by having video access to see their other team members and supervisors, similar to how it would be in the office. Finally, we try to connect with our team members by sending care packages, and asking our team members to take pictures of themselves with the care package, or a sports-team shirt day that we can put together into a social-media post or company video.

**—Jack Brown,** *Sarasota, Fla.*

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## Remember the families

Staying connected as a team is highly important to our collective well-being, and we do have an annual in-person get together. The rest of the time, we don't dwell on the remote part, but do dwell on the team part. As the leader, I make it a priority to celebrate small wins through our monthly all-hands Zoom call. To commemorate personal celebrations and accomplishments, we sometimes put a shout-out on Slack or send a card in the mail or ship a treat home.

For the holidays, we have a fun online party and the team receives interactive gifts to enjoy with their own families (last year was a DIY pizza kit).

**—Ira Gostin,** *Reno, Nev.*

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## Overcommunicate and be fair

I have been a remote employee and a leader for over 10 years. Here are some of the best approaches I experienced and have practiced in this context.

As an employee: I appreciated my leadership team overcommunicating with me. Since I wasn't around the office to have spontaneous conversations about what was happening with the business, my bosses had frequent short calls with me to update me on what was going on and asking me what was happening with my function and what I needed. I was often asked for my input about potential decisions and felt like my input was taken seriously.

I was also asked often about how my personal life was going; I never felt that this was intrusive but showed care for my overall life and not just my work.

I had only two concerns: I was on the West Coast, but with the office on the East Coast, I often had to join calls at 5 a.m. And when my co-workers had food provided at meetings or were taken out to lunch, I would have appreciated a simple gesture like a gift card to help me feel valued as well.

As a leader of remote employees: I initially struggled with how to keep my team engaged and productive. So I started by asking what they wanted and needed from me, their peers and the company as a whole.

What I heard was they wanted communication via other channels than just an email. A call or even a text from me would show that I was paying attention to them and was more personal. I also made certain that they got messages from our senior leaders about some of their specific accomplishments.

Again, this helped them feel part of the larger team. I would arrange for them to present at company meetings so they got greater visibility. I would have some informal and spontaneous "coffee breaks" for which I would periodically call an employee to just check in and see how they were doing. This wasn't only a personal touch, but also helped me to see if there were any potential issues brewing.

One final strategic action I took was to pair up new employees with a remote mentor. The goal was to create a partnership where the newbie had a go-to resource for not only the work, but also the culture. It enabled people to get up to speed quicker and feel more connected.

**—Mitchell J. Nash,** *Longmont, Colo.*

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## Trust me, I'm working

If employers want to build corporate culture, they must first establish goodwill with their employees. This involves trusting employees to do their job properly whether they are working in the office or at home.

I personally find I am much more productive working from home. I give it 110%, and I don't waste time with water-cooler chitchat or office politics. I also save on commuting time and expenses and wardrobe costs associated with having to come into the office each day.

One caveat to this is that I recommend employees working from home maintain a spreadsheet of all their work throughout the week. This is a CYA move in the event that a manager asks, "So what have you accomplished lately?"

**—Caroline S. Brooks,** *New Orleans*

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## Meet your employer halfway

My company has gone to great lengths to ensure our hybrid work is fulfilling and enjoyable. But what has helped me the absolute most is an internal check that I am responsible for making on myself.

It's the acknowledgment of the joy and satisfaction of a healthy work/life balance. We all strive for that balance, but often, when we get it, we don't take that internal moment of gratitude to say, "Hmmm...I am walking my dog to the farmers market while on a Zoom call today. Today has been a good day for my balance."

Not every day or even every week has that balance, but for me, the internal acknowledgment and appreciation of when that balance is found, rather than hoping it's somewhere in the future—that is what has made all the difference for me.

**—Jeff Schiffman,** *New Orleans*

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# What's Friday?

*Continued from page R1*

on different days, or will the Friday staffers always feel like they've drawn the short straw? Can you ask a client or vendor for a Friday call, or is that intrusive? Can you tell your boss that you're working Fridays from home, or will that make you seem like a long-weekending slacker? Can you close the office altogether on Fridays, and save on overhead, or do you need to leave the doors open for the handful of employees who prefer going into work when it's all but guaranteed to be a ghost town?

All this confusion is bad for business, bad for teams and bad for employees who need to know how to plan their weeks. We need to decide what to make of Fridays in this new world of work: Are they part of the workweek? A new, permanent three-day weekend? Or something in between?

## In with the old

For some organizations, the best bet may be returning to Fridays at the office, where "relaxed" meant jeans and a 4:30 beer with the team, and everybody is on the same schedule. Otherwise—especially in organizations with customer-facing or on-site work—having a chunk of workers disappear on Fridays is a recipe for resentment. It's bad enough for line workers or customer-service representatives to see that back-office colleagues have more flexibility to work remotely. It's worse when they also see what looks like a life of perpetual long weekends.

Still, organizations that revive a standard Monday-to-Friday workweek may have challenges with recruitment, retention and engagement. Surveys show that many professionals would rather look for new jobs than return to the office full-time, and they likely will be unhappy if a hybrid schedule includes Friday at the office.

It's possible to create a hybrid schedule in which the Friday-at-home privilege rotates. But that has its own problems in having to choreograph who gets which Fridays at home, and the unpredictability of employees never quite knowing who they'll find in the office. If you try to solve the problem by making *everybody* come in on Fridays, you preclude the possibility of saving money with a hybrid plan that lets you shrink your real-estate footprint.

GIACOMO BAGNARA

## Four days?

Another option is to declare Fridays part of the weekend, embracing the four-day workweek that has shown favorable results in a global pilot program. There's plenty of evidence that a shorter workweek preserves productivity and boosts employee well-being, and if you're ready for the four-day plunge, you can solve the Friday dilemma by cutting it from the workweek. What's Friday? The same as Saturday and Sunday.

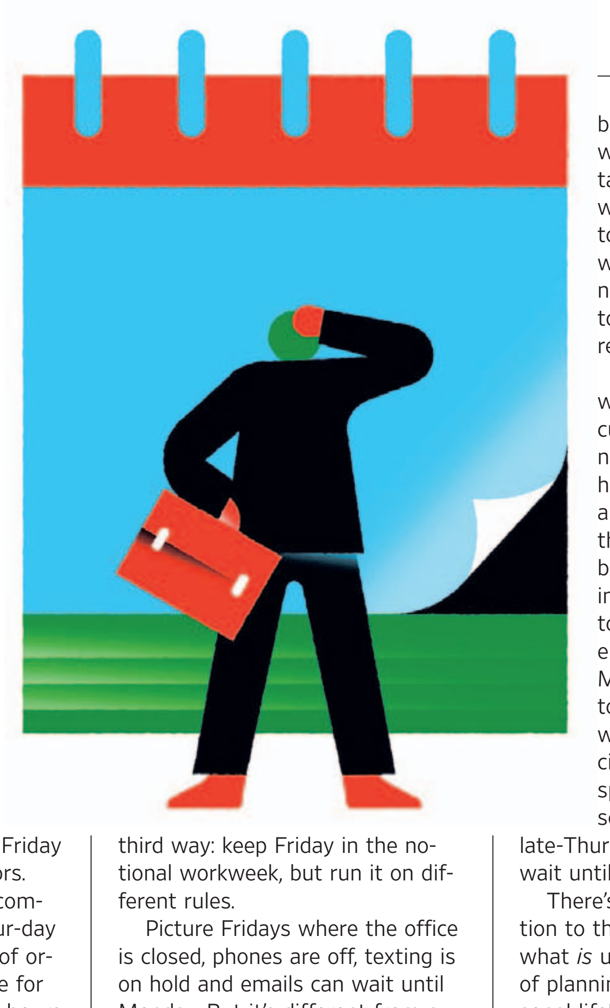
Running your whole organization on the same schedule makes it easier for employees to know when their colleagues will be reachable, and if you're going to pick the same four work days for your whole organization, it makes sense for those to be Mondays through Thursdays, given the widespread preference for Friday flexibility.

But it isn't always feasible to be a four-day-a-week organization in a five-day world. That's why some four-day-workweek employers end up with a staggered schedule: Even if your own employees work only four days, you may need to offer Friday hours to customers or vendors.

And of course, not every company wants to move to a four-day workweek: There are plenty of organizations where it's routine for many employees to work 50 hours or more each week, and paring that down to 32 might seem both unrealistic and undesirable.

## The third way

If you're not prepared to turn Fridays into a weekend, and you're worried about the impact on morale of making just about everyone spend Fridays in the office, what else could you do? Maybe there's a



third way: keep Friday in the notional workweek, but run it on different rules.

Picture Fridays where the office is closed, phones are off, texting is on hold and emails can wait until Monday. But it's different from a four-day workweek because it isn't a day off by default.

Instead, Fridays become the day when employees tackle focused work, since they won't be interrupted by emails, texts and phone calls, and if someone is so efficient that they've completed most of their tasks by the end of Thursday, they might even take some of Friday as personal time. We get the benefit of clarity—we know we won't be expected to take meetings or calls, and we know we won't be able to reach our colleagues—while offering employees a nice perk, and an incentive to be extra efficient the rest of the week.

This approach could work well if we arrive at a cultural norm where business calls and meetings happen between Monday and Thursday. Still, it's one thing to say you won't book internal calls or meetings on a Friday, but harder to leave a customer call or email unanswered until Monday. It may also lead to a little more evening work on Thursdays, especially in organizations that span multiple time zones, so that people sending late-Thursday emails don't have to wait until Monday for an answer.

There's no one-size-fits-all solution to the Friday dilemma. But what *is* universal is the challenge of planning a workweek—or a personal life!—when one-fifth of our workweek is in a gray zone. Better to make a decision about how the organization will handle the fifth day, and get all employees and customers on the same page.

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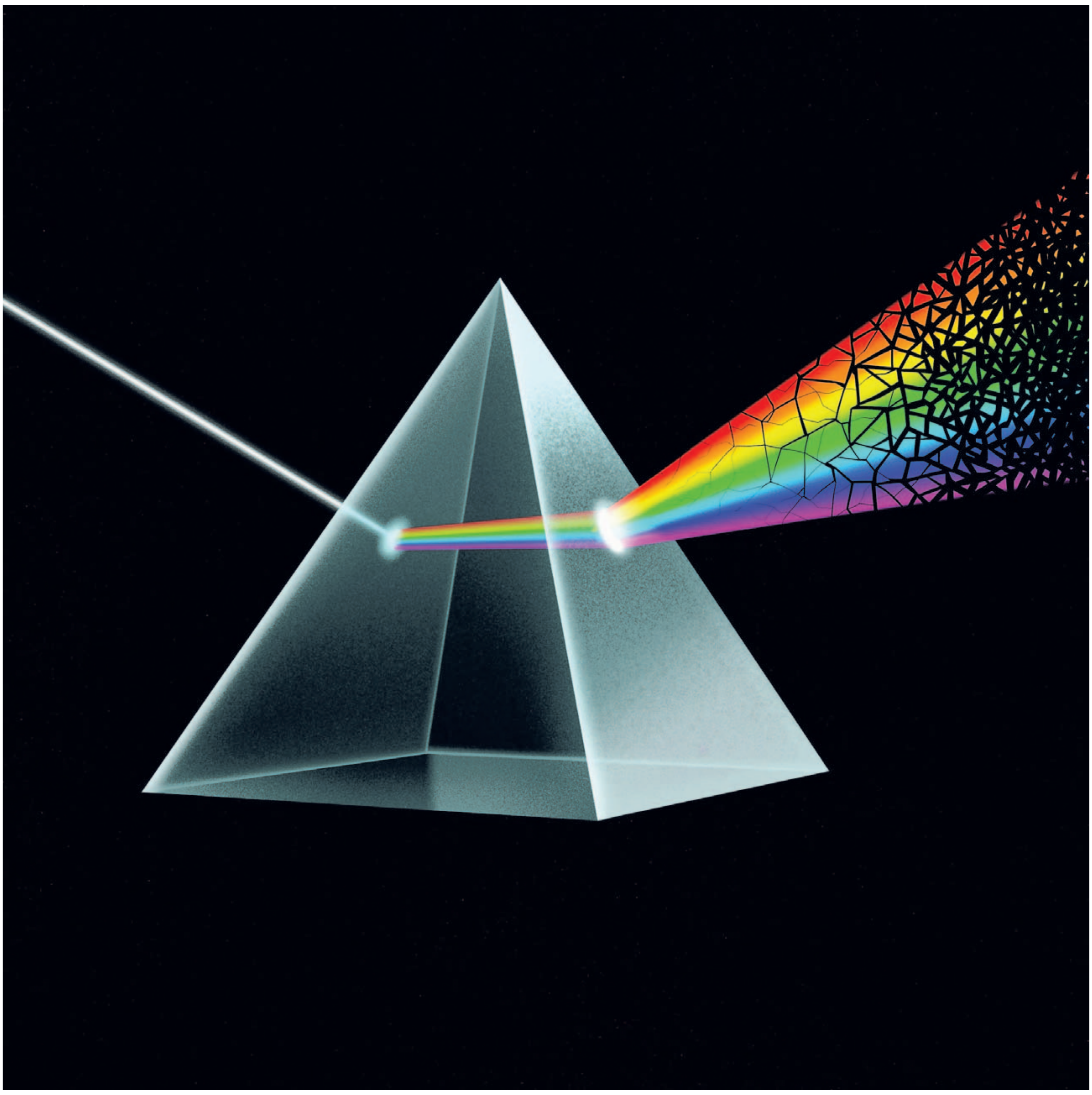
*Alexandra Samuel is a technology researcher and co-author of "Remote, Inc.: How to Thrive at Work...Wherever You Are." She can be reached at* **reports@wsj.com.**

# Making DEI Programs Work

*Continued from page R1*
here—is diversity training a hopeless cause?

We are a psychologist and a sociologist who have been studying bias and organizational diversity programs, respectively, for decades. The research makes it clear that Americans desperately need education about bias, because even people who value fairness and equality hold biases—without being aware of it. They need to understand that bias operates systemically and must be addressed at the individual, institutional and societal levels.

Education offered on these matters is very much in the national spirit. As Alexis de Tocqueville noted in "Democracy in America" in 1835: "The greatness of America lies not in being more enlightened than any other nation, but rather in her ability to repair her faults."



## What research shows

The social and behavioral sciences have developed strong evidence about conscious prejudice and implicit bias. Three lines of research, together, are pertinent. One provides good news. As our colleague Larry Bobo has documented, conscious unabashed racial prejudice has fallen consistently since the 1960s. White Americans today largely believe in racial equality.

This isn't to say that explicit expressions of prejudice have evaporated; in fact they pop up with surprising regularity. The pandemic witnessed precipitous increases in anti-Asian hatred, and according to the Anti-Defamation League, instances of anti-semitism are at a record high.

A second line of research shows that less conscious, or implicit, bias has declined more slowly. Bias against some groups has barely budged. If only explicit values and biases drove discrimination, unfair treatment of, say, Black workers would be low. But implicit bias taints employer behavior and decisions.

Our colleague Mandy Palais and collaborators find, for instance, that implicit racial bias in grocery-store managers still influences worker performance.

A third line of research uses audit studies, in which matched Black and white people, for instance, apply to the same job. Who gets called in for an interview, or hired?

Scores of studies show discrimination by race, ethnicity, gender and disability. These studies show, among other things, that white applicants are about 50% more likely than identical Black applicants to be called back for an interview or offered a job.

Other audit studies show discrimination in real-world access to financial resources, healthcare and treatment by the law and law enforcement.

Research by Lincoln Quillian and colleagues compares the results of audit studies over time, finding that discrimination against Black job applicants is virtually unchanged from a generation ago. And the economist Raj Chetty and colleagues not only show a shocking drop in American upward mobility over time, but also show that in regions with high levels of implicit bias, Black Americans are less likely than white Americans to move up the economic ladder.

Research from one of us, Frank Dobbin (with Alexandra Kalev), meanwhile, shows how likely a worker in a U.S. firm is to have a management job, by group. Women and people of color see increases until the mid-1980s.

But progress stalls for Black and Hispanic workers after that. Men from those groups make no progress between then and 2021, and women make almost no progress. We clearly have more work to do to equalize opportunity.

## Falling short

It's not hard to conclude from all these studies that we are not the land of opportunity for everyone we claim to be. An enlightened society should see that education about the prevalence of discrimination is imperative. In fact, it would be downright dumb not to educate people.

But, as Dobbin and Kalev have shown, the typical DEI training doesn't educate people about bias and may even do harm.

Most training programs fall short on two fronts.

First, they use implicit-bias education to shame trainees for holding stereotypes. Trainers play "gotcha," sending trainees to take an online test co-developed by one of us, Mahzarin Banaji, for education and research. Instead of training people about research that finds that bias is pervasive, trainers use the test to prove to trainees that they are morally flawed.

People leave feeling guilty for holding biases that conflict with American values.

"Gotcha" isn't going to win people over. The approach is disrespectful, and misses the main takeaway from implicit-bias research: Everyone holds biases they don't control as a consequence of a lifetime of exposure to societal inequality, the media and the arts.

> Making people feel ashamed during diversity training can lead them to reject the message.

Trainers should introduce these ideas with humility, for trainers themselves can't help but hold these very biases. They could easily educate themselves about the implicit bias research with resources at outsmartingimplicitbias.org.

Trainers recount stories of big companies brought to their heels by discrimination suits. They detail rigid do's and don'ts for hiring, disciplining and firing people. They require trainees to pass tests on what the law forbids.

All of this makes it clear that the CEO approved the training solely to avoid litigation. Trainees leave scared that they will be punished for a simple mistake that may land their company in court.

Trainings with this one-two punch—you are biased and the law will get you—backfire. The research shows that this kind of training leads to *reductions* in women and people of color in management.

Why would diversity training actually make things worse? Making people feel ashamed can lead them to reject the message. Thus people often leave diversity training feeling angry and with *greater* animosity toward other groups ("There's no way *I'm* biased!"). And threats of punishment, by the law in this case, typically lead to psychological "reactance" whereby people reject the desired behavior ("Nobody's telling *me* what I can't say!").

This kind of training can turn off even supporters of equal-opportunity programs.

## A better way

It doesn't have to be this way, and Dobbin and Kalev's research on training points to a better alternative. Instead of using legal scare tactics, training programs should give managers a way to counter biases—namely, training in strategies for cultural inclusion. This kind of training teaches skills in listening, observation and intervention. It thus helps managers to hear employee concerns, notice when workers are feeling shunned or dissed, and intervene. It also offers skills for starting tough conversations about how to treat colleagues at work.

Those are skills from Management 101, but managers often don't want to hear bad news, so they don't ask employees about troubles, watch teams for signs of bullying or speak up when they sense a problem. Reminding managers that they can use these tools to suss out problems and nip them in the bud helps them to feel capable of managing biases and microaggressions. When managers use these skills, they retain women and people of color for long enough to come up for promotion.

That's how good diversity training can boost diversity. Unfortunately, only about a quarter of diversity trainings emphasize cultural inclusion.

Moreover, if training succeeds in conveying the findings from bias research—that bias is unseen but pervasive—it can build support for wider systemic changes designed to tear down obstacles to equal opportunity. In that sense, training isn't designed to blame people for their moral failings. Instead, it's galvanizing them to support organizational change by arming them with knowledge.

## A source of motivation

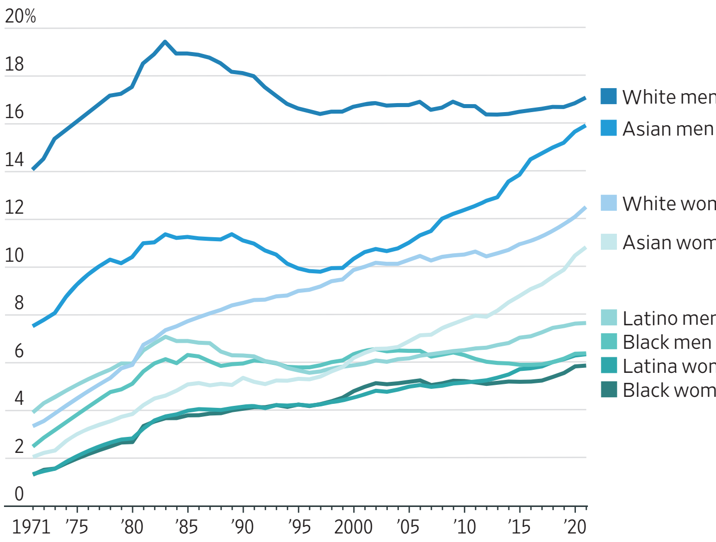
In the end, DEI training can't squelch implicit bias; nothing short of changing people's life experiences can do that. But when done right, implicit-bias education can alert students to the fact that people committed to equality nonetheless hold biases. And that knowledge can, in turn, motivate them to reshape their workplaces to counter discrimination by democratizing key parts of the career system.

That means extending recruitment visits from Harvard to Howard; offering mentors to each and every worker; and inviting all employees to nominate themselves for skill and management training programs. It means offering work-life supports to people up and down the ladder. Each of these changes has been shown to produce significant increases in managerial diversity.

The lesson here, the one that should be at the core of DEI training, is that implicit bias resides in individuals, but it resides in organizational career systems as well. And fixing those systems is as simple as democratizing them.

## Unequal Progress

How likely a worker in a U.S. firm is to have a management job, by group.




Source: Frank Dobbin and Alexandra Kalev

*__Mahzarin Banaji__ is a professor of psychology at Harvard University. Frank Dobbin is a professor of sociology at Harvard University. They can be reached at __reports@wsj.com.__*

JON KRAUSE

JASON HENRY FOR THE WALL STREET JOURNAL

Intel ranked seventh in the Management Top 250 for 2022.

**Management** **Top 250**

# Maybe Hold Off on Getting Rid of the DEI Leader

Companies with an executive devoted to diversity, equity and inclusion scored higher in the ranking of best-managed firms

**BY RICK WARTZMAN AND KELLY TANG**

**BY ALL** accounts, it has been a rough stretch for corporate-diversity executives.

There have been layoffs by the thousands for employees whose jobs were to address issues of racial justice and diversity at their companies. Others have left diversity, equity and inclusion—or DEI—posts on their own, discouraged that what seemed to be an urgent undertaking in the wake of George Floyd's murder in 2020 isn't a priority anymore.

But our latest research, based on a measure of corporate effectiveness created by Claremont Graduate University's Drucker Institute, indicates that companies should think twice about pushing DEI leaders out the door. Firms that have a DEI executive score far better in our assessment than those that don't.

The institute's model is built on the teachings of the late management scholar Peter Drucker and defines effectiveness as he did: "doing the right things well." It serves as the foundation of the Management Top 250, an annual ranking produced in partnership with The Wall Street Journal. The 2022 list was published in December.

In all, 34 different metrics were used last year to evaluate 902 large, publicly traded U.S. corporations in five areas: customer satisfaction, employee engagement and development, innovation, social responsibility and financial strength. Companies are compared in each of these categories, and in terms of their overall effectiveness, through standardized scores with a typical range of 0 to 100 and a mean of 50. Bendable Labs, a private firm, works with the institute to perform the calculations and interpret them.

For our DEI analysis, we drew on a report from As You Sow, a nonprofit that seeks to promote corporate social responsibility through shareholder advocacy.

Of the 902 companies in our universe, As You Sow had pertinent information for 702 of them.

## Clear difference

The findings were unambiguous. The 512 firms that have someone in an explicit DEI role scored, on average, significantly higher in nearly all of the elements of our rankings than the 190 companies lacking such a position: 51.9 vs. 47.7 in customer satisfaction, 53.4 vs. 47.7 in employee engagement and development, 53.0 vs. 46.9 in innovation, 54.0 vs. 46.1 in social responsibility, and 54.1 vs. 46.4 in overall effectiveness.

The one place this didn't hold was in financial strength, though the marks there were basically a wash: 50.6 vs. 50.9.

The contrast in four of the five categories underscores the importance of having an individual, if not a department, who is devoted to ensuring that every employee is truly being heard and valued—a key, numerous studies have shown, to attracting and retaining talent, gaining new customer insights, driving innovation and, over time, fattening the bottom line.

> 'You need someone who can be a strong advocate on these issues,' says one consultant.

"You need someone with expertise," says Meredith Benton, the founder of the consulting firm Whistle Stop Capital and the manager of As You Sow's workplace-equity program. "You need someone who can be a strong advocate on these issues and keep the board updated, just like a chief marketing officer would in their area."

There is no guarantee, of course, that a DEI appointment will translate into action. Benton and her colleagues have spoken with hundreds of diversity executives since 2019, and every once in a while, she says, "We hang up the phone and we're like, 'That person doesn't seem to believe what they're saying.' It's as if they're just following a script."

But as our results make clear, having a DEI executive can provide a powerful boost to much of the business—especially when a company's diversity champion has a direct line to the CEO. Indeed, the firms that scored, on average, the highest in every category of our rankings, including financial strength, don't just have someone carrying a DEI title; they boast a dedicated diversity executive in the C-suite.

"C-suite DEI leaders are navigating difficult conversations throughout all levels of the company," says Dawn Jones, the chief diversity and inclusion officer and vice president of social impact at **Intel**, which came in at No. 7 in the 2022 rankings.

Having someone who is part of a company's senior management may also make it easier to participate in bigger, bolder DEI efforts. Jones says that she is particularly proud that Intel is one of the companies that started the Alliance for Global Inclusion, a coalition that is pushing for transparent progress in several arenas: leadership representation, inclusive product development and STEM readiness in underserved communities.

"This work," Jones says, "is helping to build the pipeline of diverse talent across the tech industry and support progress toward Intel's diversity goals."

Olivia Knight, As You Sow's racial-justice initiative manager, says the next year will be pivotal in seeing whether companies continue to shrink away from their DEI pledges—what some have dubbed "diversity ditching"—or whether the trend has peaked. "We'll know more about who is staying true to their promises and who is throwing them out the window," she says.

## Recognize limits

For those companies that want to hang on to diversity executives, one thing they can do is recognize the power of the business case for DEI—but also its limitations. (See "Why DEI Training Doesn't Work—and How to Fix It" on Page R1.) It is a point that Katina Sawyer, a professor at the University of Arizona's Eller College of Management, and her co-authors plan to make in a forthcoming scholarly paper.

In interviews with dozens of diversity executives, they found that if companies overemphasize that they are standing behind DEI because it bolsters customer satisfaction or innovation or the stock price, it can send an unintended message.

The implication "is that you wouldn't treat people fairly if didn't lead to these business outcomes," Sawyer says. "It's necessary to have a commitment that goes beyond that."

In other words, when you focus too much on the ROI of DEI—as compelling as it is—you risk forgetting the real reason we need change.

***Rick Wartzman** is co-president and **Kelly Tang** is the chief data scientist at Bendable Labs. They are also both senior research fellows at Claremont Graduate University. They can be reached at reports@wsj.com.*

## The Diversity Difference

Companies that have executives dedicated to diversity, equity and inclusion generally outperform those without anyone in that role across the Drucker Institute's corporate effectiveness* rankings.

| | NUMBER OF FIRMS | OVERALL EFFECTIVENESS | CUSTOMER SATISFACTION | EMPLOYEE ENGAGEMENT AND DEVELOPMENT | INNOVATION | SOCIAL RESPONSIBILITY | FINANCIAL STRENGTH |
|---|---|---|---|---|---|---|---|
| No DEI position | 190 | 46.4 | 47.7 | 47.7 | 46.9 | 46.1 | 50.9 |
| Manager/leader | 67 | 49.7 | 49.4 | 52.4 | 49.2 | 48.9 | 49.4 |
| Director/head | 124 | 52.8 | 52.7 | 52.1 | 51.1 | 53.3 | 49.0 |
| Vice president | 134 | 53.9 | 51.7 | 53.7 | 52.2 | 54.3 | 50.2 |
| C-suite | 187 | 56.7 | 52.4 | 54.3 | 56.3 | 56.1 | 52.2 |

(Scale for each column: 40–60)

Note: Available DEI leadership data covers 702 companies.
*Effectiveness scores use a 0–100 scale, with a mean of 50, and are based on the Drucker Institute's full universe of 902 large, publicly traded U.S. corporations for 2022.
Sources: As You Sow for the DEI data; Drucker Institute for the rankings data, using metrics from American Customer Satisfaction Index; Clarivate; CSRHub; Glassdoor; HIP Investor; ISS EVA; J.D. Power; Lightcast; Prof. Dimitris Papanikolaou of Northwestern University and Prof. Amit Seru of Stanford University; Payscale; Refinitiv Eikon; Supply Chain Resource Cooperative; Sustainalytics and wRatings

# The Best Convention Centers in the U.S.

## In a Wall Street Journal ranking of 30 centers, the ones in Las Vegas and Chicago take the top spots

BY ETHAN M. STEINBERG AND KEVIN MCALLISTER

WHAT makes for a successful convention? Road warriors say a venue that facilitates networking and deal making is essential. But almost as important is a city with robust—and affordable—options for those who want to mix business and pleasure.

Not everyone has a choice about which conventions to attend—some people have to go regardless of where the event is being held. But knowing what to expect and how to navigate the destination can help shape the overall experience.

To that end, The Wall Street Journal ranked 30 of the largest convention centers in the U.S., weighing the quality of each exhibition space alongside the vibrancy and affordability of the city that surrounds it. A convention center had to be in a top-100 city in terms of population to be included in the ranking.

The Las Vegas Convention Center, which hosts the annual Consumer Electronics Show, known as CES, topped the Journal's list. The facility's 2.5 million square feet of exhibition space sits minutes from the Las Vegas Strip and just over 3 miles from Harry Reid International Airport.

The Las Vegas facility alone generated 6,490 jobs, $356.1 million in wages and $1.3 billion in direct economic output from the 56 conventions it hosted in 2022, according to a spokeswoman for the Las Vegas Convention and Visitors Authority, a government agency that promotes tourism in Las Vegas.

That includes spending at restaurants, casinos and shopping centers by attendees, the organization says.

Sheefra Brisbin, an Ottawa, Ontario-based entrepreneur, attended this year's CES in Las Vegas in January. Brisbin, who is developing a bracelet that she hopes will help people with dementia live more independently, struck a deal with a manufacturer whom she met on the exhibition floor. During her downtime, she enjoyed dining at the Wynn Las Vegas hotel and listening to actor Seth Rogen speak at a workshop.

"Primarily I go to Vegas for sunshine; secondly, for the show and third, for the food," she says.

### Is the airport nearby?

In terms of space, the Las Vegas Convention Center ranks second only to McCormick Place in Chicago, the runner-up in the Journal's overall ranking. The Chicago center fell short of the top spot because it has fewer meeting rooms, is farther from the airport and lacks the sweeping entertainment opportunities that shape Sin City. (Its total space, though, is so much higher than any other venue's that the Chicago center still took the top spot in the space, amenities and convenience score.)

The Journal's rankings are weighted 70% toward the size and quality of the convention center and 30% toward factors from the surrounding city. The facilities are ranked by square footage of exhibition space and total space, the number of meeting rooms they offer, plus how close they are to a dry cleaner and an airport, and whether they have such amenities as an on-site nursing room and an ATM.

Cities are judged by how walkable they are and the number of nice-weather days they have a year, as well as the average meal price and the relative abundance of restaurants, entertainment venues and high-end hotel rooms.

Places like Denver and Miami rank high as cities but their convention centers rank low on the Journal's list because the venues lack the vast space and amenities of others. Some, like Cleveland's International Exposition Center, or the I-X Center, scored low in both categories.

Coming in at No. 30 on the list, the I-X Center has more exhibition space than seven of the other venues in the ranking, but it has the fewest meeting rooms overall. The surrounding neighborhood also scored the lowest in terms of walkability.

Still, some local residents have a soft spot for the venue, which has been around for nearly four decades and recently underwent a renovation that shrunk the exhibition area.

"With the general space being condensed, it allowed for a little bit more of an intimate setting," says 39-year-old Chris Grunau, who attended the Cleveland Auto Show this year, as he has most years over the past decade. The I-X Center, which hosted the show, is a 15-minute drive from his home.

A spokesperson for the I-X Center declined to comment.

### Business and pleasure

The Events Industry Council, a trade group, says that in 2022, spending on business events ranging from conventions to large-scale corporate meetings was about 81% of what it was in 2019, before the pandemic hit.

But one trend that is accelerating, according to executives in the travel industry, is demand for dual-purpose trips that combine business and pleasure. Airline woes have played a major role in a growing reluctance to travel for business alone. "If you're going to go through that inconvenience and invest that time in air travel, you want to make the most of it when you land," says Donna Quadri-Felitti, director of the School of Hospitality Management at Penn State University.

As a result, she says, more people are taking their families along to conventions. That might mean catching an Inter Miami soccer game after a full day at the Miami Beach Convention Center, or taking an extra day to tour the San Diego Zoo after Comic-Con wraps up across town.

Convention brochures and programs are doing more to promote the attractions in their cities, and more hotels are offering travelers the ability to extend their stay for a lower rate than the one their companies paid for initially, says Chekitan Dev, a distinguished professor at Cornell University's Peter and Stephanie Nolan School of Hotel Administration.

"If I'm going to go to Nashville for a convention, I want to make sure that I'm able to experience some of the other features of the destination, other than just meeting colleagues, doing deals, learning about new products and all the stuff you do at a convention," he says.

Another thing that makes a convention space successful, experts say, is the way that it facilitates interaction between people.

That often requires a friendly and well-prepared customer-service staff, says Jay Kandampully, a professor of service management and hospitality at Ohio State University's College of Education and Human Ecology.

"We don't remember the room that we slept in," he says. "But we remember people who created an experience."

*Ethan M. Steinberg and Kevin McAllister are reporters for The Wall Street Journal in New York and London, respectively. Email them at kevin.mcallister@wsj.com.*

TOP: The Las Vegas Convention Center, the top-ranked venue, hosted the Consumer Electronics Show, or CES. BOTTOM: Chicago's McCormick Place bustles with activity during the 2023 Sweets and Snacks Expo.

FROM TOP: JACOB KEPLER FOR THE WALL STREET JOURNAL; VINCENT D. JOHNSON/XINHUA/ZUMA PRESS

## Top Venues

A look at the highest-ranking convention centers in The Wall Street Journal's analysis, along with their ranks in some key categories

| | NAME LOCATION | OVERALL SCORE | SPACE, AMENITIES AND CONVENIENCE RANK | CITY AND SURROUNDINGS RANK |
|---|---|---|---|---|
| 1 | **Las Vegas Convention Center** Las Vegas | 80.06 | 2 | 21 |
| 2 | **McCormick Place** Chicago | 76.17 | 1 | 27 |
| 3 | **The Venetian Convention & Expo Center** Las Vegas | 72.13 | 3 | 26 |
| 4 | **San Diego Convention Center** San Diego | 62.54 | 8 | 1 |
| 5 | **Orange County Convention Center** Orlando, Fla. | 58.97 | 5 | 8 |
| 6 | **Georgia World Congress Center** Atlanta | 52.98 | 6 | 14 |
| 7 | **Mandalay Bay Convention Center** Las Vegas | 51.01 | 4 | 25 |
| 8 | **Phoenix Convention Center** Phoenix | 50.47 | 12 | 4 |
| 9 | **Seattle Convention Center** Seattle | 49.07 | 7 | 22 |
| 10 | **Kay Bailey Hutchison Convention Center** Dallas | 46.50 | 11 | 16 |

Sources: convention centers and convention center online materials; CoStar; NOAA; Business Travel News' Corporate Travel Index 2023; Walk Score; Google Maps.